THE FINANCIAL POST
OF CANADA
The Canadian Newspaper for Investors

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AUSTRALIA CABLES OTTAWA REMOVING WOOL EMBARGO IN FAVOR OF CANADIANS

Permission Granted to Purchase 23,800 Bales, Including New Zealand.

FAMINE HERE AVERTED

Big Boon to Knit Goods and Other Manufacturers in Canada—Largest Wool Sale on Record.

The embargo laid by the British Government upon the export of Australian and New Zealand wool has been lifted in favor of Canada, THE FINANCIAL POST is able to announce, and thus a condition has been averted that threatened to cripple seriously the knit goods industry of this country, as well as spinning mills and all others that were dependent upon a supply of wools from these two countries, the chief sources of the raw material for finer goods for the whole Empire.

For several months since the embargo was fixed by Great Britain, which bought up all the balance of the unsold clip in these two countries, not a bale of this stock has left Australia, and the knit goods manufacturers had been forced to cut down on the orders they could accept for next fall, and were uncertain whether they could fill even those that were accepted.

In answer to urgent appeals from the manufacturers, backed up by the Department of Trade and Commerce, a cablegram has been received at Ottawa by the Deputy Minister, Mr. O'Hara, from the Right Honorable the Secretary of State for the Commonwealth, which is quoted herewith:

The quantity of wool which will be released does not cover the full requirements of Canadian mills, but will go far to prevent a serious shortage.

Followed Census in Canada.

This gratifying action on the part of the Imperial authorities and the Commonwealth followed upon the receipt of definite figures of Canada's needs that had been secured by Mr. Percy White, a wool broker, of Bay Street, Toronto, who acted for the Department at Ottawa. The arrangement was facilitated by Mr. White's association with R. Hal. Sheppard, of Melbourne, one of the leading brokers in wool, skins and hides in Australia and New Zealand.

With all anxiety thus removed to any handicap that Canadian industry would be subjected to as a result, Canadians can afford to sit back now and admire the comprehensive and statesmanlike coup that has been carried out by the Imperial authorities.

THE CABLE OF RELIEF.

The following is a copy of the cablegram sent by the Right Honorable the Secretary of State for the Commonwealth to the Department of Trade and Commerce, Ottawa:

"With reference to your telegram of 16th February, please inform the Minister of Trade and Commerce that Government of Commonwealth of Australia and Government of New Zealand have been asked to facilitate shipment of wool bought before embargo. As regards further purchases wool, his Majesty's Government prepared to guarantee exportation from New Zealand and Australia of 7,500 New Zealand crossbred, and 16,300 bales Australian wool.

"For present, no objection to wool being bought f.o.b. Australasia and shipped direct to Canada, but later it may be desirable that part should be shipped via United Kingdom."

An Unprecedented Measure.

Mr. White, who has clients not only in Canada, but in the United States and Great Britain, is elated, naturally, over the result, which has just been communicated to him by Mr. O'Hara, as he has worked hard to secure preferential treatment for Canadian manufacturers. The scheme of the British Government in taking over the balance of the clip was something unprecedented. The basis on which this was done was by ascertaining, as Mr. White explained to FINANCIAL POST, that "the average of pre-war prices extending over several years was slightly below 10d. per pound for the markets of the Commonwealth, and it was decided that an advance of about 50 per cent. on 10d. should be a fair and acceptable price to both buyer and seller. The price was then fixed at 15½d. Returns of actual sales in the various selling centres during the month of October to November 10, 1916, were obtained, and it was ascertained that the average of the whole of the wool sold during that period, which happened to be the highest market of the season, and which realized over 5½ millions of money, and comprised every class of wool, was under 15½d. per lb.

Fixing Values on all Grades.

"The most intricate part of the scheme is the fixing of values, not for every clip, but for every description of which each clip is comprised," said Mr. White. "So that their task could be accomplished in a manner that would admit of large and small growers receiving exactly the same treatment and a fair and just price for their wool, a committee of wool experts was selected from the ranks of the regular buyers on the various markets, including our Allies, the French and Japanese buyers, and also the regular experts employed by the selling brokers, to arrange a basis of values that would be applicable to every description of wool that would be placed on the market.

"This committee has grappled with the enormous task of compiling a bareme or costing table. No such comprehensive table of quotations, yields and values has ever before been compiled in the wool trade, and it is doubtful whether such disinterested and highly valuable information could have been procurable and tabulated had not the exigencies of war stirred the patriotic sentiment of buyers and sellers and prompted them to give their best to ensure the just and equitable apportionment of the proceeds of the largest transaction in wool on record."

What is the object of the Imperial Government, it has been asked, in taking control of this enormous quantity of wool? One of the leading knit goods manufacturers in Canada suggested to FINANCIAL POST that this step gave England practically a monopoly in the finer wools that would offset the control of the United States over the raw cotton supplies of the world, and tend to keep exchange more favorable.

The act also ensures sufficient raw material for the manufacture of khaki, underwear, hosiery and other goods not only for her own soldiers, but also for the Allies, and modifies the cost of these to a certain extent.

NEWS OF SECURITIES.

THE FINANCIAL POST'S review of the Canadian Security Markets will be found on pages 2, 3, 4, 5 and 6, under the following heads: STEEL STOCKS, PULP AND PAPER, TEXTILES, MILLING, MINING, TRANSPORTATION, ELECTRIC RAILWAYS, LIGHT AND POWER. Other Stocks, including general industrial and other securities not embraced in the foregoing groups are arranged in alphabetical order.

FRIDAY'S PRICES.

Following are Canadian stock transactions at Friday morning's session:

	High	Low
Can. Cement pref.	75	75
Gen. Electric	111½	111½
Dom. Steel	67½	67
Brazilian	43½	43½
Tor. Paper	85	85
Maple Leaf	95	95
Steel of Can. com.	68⅝	67½
Steel of Can. pref.	96⅝	96
Amer. Cyanimid	51½	51½
Mackay com.	88	88
Steamships com.	38	38
Steamships pref.	84	84
Royal Bank	212½	212½
Standard Bank	211	211
Imperial Bank	198	198
N. Scotia Bank	257	257
Can. Bread pref.	85	85

TO BUILD SHIPS.

$2,000,000 Corporation Organised,—Head Office at Montreal.

The International Shipbuilding Corporation, Limited, has been incorporated with a Dominion charter, to engage in the building of ships. The charter gives the company very wide powers. The head office of the company is at Montreal. H. A. Lovett, K.C., and members of his office staff, appear as the incorporators. The FINANCIAL POST understands that important Montreal financial interests are behind the proposed corporation, but no information is available yet as to where it is proposed to establish the industry. The charter states, broadly, in the "Dominion of Canada."

UNITED STATES CAPITAL TO THE CANADIAN WEST

Manager of Peabody, Houghteling & Co., of Chicago, Speaks of Conditions in B.C.

With the finish of the war, O. M. Mills, manager of the financial firm of Peabody, Houghteling & Co., of Chicago, is of the opinion that there will be a tremendous influx of capital into this province from investors in the United States Owing to the fact that Canada is at war, the people of the south were disposed to be very chary of placing further bonds here. Mr. Mills is in Vancouver on a periodical inspection of the securities placed by his firm on behalf of investors in the middle west. He expressed himself as being quite satisfied with the investments which the firm has in the province and intimated that within the next two or three months, further sums might be looked for. In discussing the matter, he went on to say: "The people of the United States have the utmost confidence in Canada and in British Columbia from a financial point of view. The investments made here testify to that, but those investments will be as nothing compared with the sums that are awaiting the time when it will be more opportune to come in here and develop those industries that must of necessity be developed."

THE SITUATION SHOWING LESS UNCERTAINTY

Submarine Control and American Situation Are Factors.

PRICES CONTINUE TO RISE

Upward Movement Particularly Noticeable in Foodstuffs—Labor is Being Well Employed.

Evidence that Britain is suppressing the submarine menace and the indication that the filibustering in United States Congress has probably postponed further disruption between that country and Germany for the time being have been factors which have had a steadying effect upon the general situation, although the former rather than the latter may be regarded as the material influence. For a time the submarine activity gave ground for uncertainty as to the course of events, but the feeling has returned that the Allies will go on consistently to the end in the crushing of the German military power. While that effort continues all energies must be bent to it, and the maintenance of our productive machinery at high speed means continued prosperity, although, as has been previously pointed out, the margin of profit on many lines is being reduced in meeting keener competition and in increased costs of raw materials.

The general industrial activity continues. In the trades spring business is opening out in a very satisfactory manner. In financial circles there has been a period of time-marking awaiting the announcement of the new war loan, which will be made on Monday. Its success is undoubtedly assured, and it should be shouldered without any serious handicap. However, until the subscription lists are closed there will be comparatively little interest in other investments.

The Labor Situation.

The general industrial activity is reflected in the labor situation, as reported in the *Labor Gazette*. Except in such seasonal occupations as building, agriculture and fishing, and a few lines of manufacturing affected by seasonal changes, industry has been active. In some cases the transportation trouble is still felt as regards certain raw materials, but for the most part there has been an improvement in the fuel situation. Certain industries and the transportation companies are feeling the labor shortage acutely.

During 1916 there were 75 labor disputes, as compared with 43 in the

Continued on page 8.

COL. BRUCE FILES REPLY TO THE BAPTIE REPORT

Charges That Political Influences Have Been At Work—Information Given Exclusively in POST is amply Verified.

The sending of a second report by Col. Herbert Bruce reopens the whole question of the administration of the Canadian medical service in Great Britain. The FINANCIAL POST was the first paper in Canada to give publicity to the first Bruce report, being impelled to that course by the consideration that the weakness of administration brought out by Col. Bruce meant the squandering of public funds and the piling up of heavy debts to be liquidated by the taxpayers after the war. When the Baptie report was brought in, dismissing the Bruce findings, as unjustified except in "minor" matters, The POST took the stand that the matters concurred in were of paramount rather than minor importance, inasmuch as they dealt with the wholesale acceptance of unfit recruits and the lack of adequate inspection.

Col. Bruce's second report will not likely be given out until it has been brought down to the House, at the next session. It is impossible to pass upon it, until the full report is obtainable but The FINANCIAL POST is convinced that it will carry ample proof of laxness on the points which impelled The POST to give the first publicity to the matter. It is interesting to note also that latest information points to a conflict between Col. Bruce and Sir George Perley, on all points connected with the medical service. That this condition existed was made clear by The POST as early as Nov. 11. It was shown then that Sir Sam Hughes stood behind Dr. Bruce while Sir George Perley threw his support to the system attacked and those responsible for it. In this connection it was shown that the scattering of Canadian wounded all over the British Isles was due to the efforts of prominent Canadian women who had interested themselves in Red Cross work and had started hospitals in private homes. This upset the centralized system of caring for the wounded and was a factor in creating the conditions condemned by Col. Bruce.

These points were brought out by The FINANCIAL POST because the daily press was either ignorant of the conditions or did not dare to give publicity to them.

The receipt of Col. Bruce's second report is told in following despatch:

Ottawa, March 8.—Col. Herbert Bruce, of Toronto, who was recently appointed by the War Office as one of the twelve chief inspectors of the British medical services in France, sent his report in reply to the Baptie Commissions' findings to the Minister of Militia to-day. It is understood that Col. Bruce has taken this orthodox method of formally presenting his case to Parliament and to the people of Canada, rather than adopting the method originally intended of personally issuing the statement to the press on his arrival in Canada last month on leave of absence from the War Office.

It is expected that the Minister of Militia will present Col. Bruce's somewhat lengthy resume of the situation with regard to the Canadian medical organization overseas to Parliament immediately on the resumption of the House next month. It is understood that the Government is somewhat loth to give publicity to it, in view of the severe strictures which it contains of Sir George Perley's administration in London, but Dr. Bruce, it is said, insists on its being made public.

More Than Summary Showed.

There is good reason to believe that Col. Bruce is decidedly exasperated with the condition of affairs which developed in the Canadian administration in England, as soon as Sir George Perley took control.

Continued on page 6.

WOULD RAISE PRICE INTERNATIONAL NICKEL

American Shareholders Said to Be Dissatisfied With Profits Made.

There is some dissension among American stockholders of the International Nickel Co., owing to the policy of the management of this company in keeping the price of the nickel at the level maintained before the war. This dissension has taken a definite form which will in all probability come to the surface at the annual meeting of stockholders next May. The management will be asked to raise the price of nickel.

The contract price of nickel was about 35 cents a pound before the war. Copper was 13 cents a pound at that time. The contract price of nickel is still 35 cents a pound, on the average, while copper has soared to 30 cents a pound. It is contended by the dissatisfied stockholders that this difference is playing to the disadvantage of the International Nickel Co. and that the price should be raised to conform with economic conditions.

At the beginning of the war the Nickel Co., adopted the policy of not raising the price of nickel to its big customers. The fact that the British Government was a big customer was a big consideration, for there was no disposition on the part of the company, with its large mining properties in Canada, to collect extortionate revenue from the British Government. Ambrose Monnell, president of the company, had in view a plan to popularize the use of nickel and he hoped to make a great amount of money for the company on increased sales. That policy has worked out satisfactorily and Mr. Monnell has received encouragement from the stockholders. The fact that the stock of the company was placed on a $6 dividend basis is proof of the prosperity of the company.

MORTGAGE ASSOCIATION.

Officers Were Re-elected At the Annual Meeting.

The Annual Meeting of The Land Mortgage Companies' Association of the Province of Ontario, was held on Thursday, the 8th inst., in the office of the Canada Permanent Mortgage Corporation of this city. The Association is composed of twenty-four of the leading Loan Companies of the province which were well represented at the meeting. The annual report of the executive committee which informed the association of the various matters of legislation, etc., to which the committee had given attention during the year, was presented and unanimously adopted. The officers, and executive committee were all unanimously re-elected. They are:—President, R. S. Hudson, Toronto; first vice-president, C. W. Cartwright, Hamilton; second vice-president, Edward Saunders, Toronto; secretary-treasurer, George H. Smith, Toronto; V. B. Wadsworth, Toronto; Walter Gillespie, Toronto; G. A. Morrow, Toronto; J. H. Helm, Port Hope; J. W. Stewart, St. Thomas; A. M. Smart, London; Hume Cronyn, London; E. F. Dwyer, St. Catharines; J. E. McEldarry, Guelph.

SHIPBUILDING OPPORTUNITY FOR CANADA

We Have the Men, the Ability and the Materials.

BIG DEMAND FOR TONNAGE

Steel Authority Points Out That Government Aid Would be Required to Lay the Foundations of the Enterprise.

There is no new line of industry for Canada the present undertaking of which would be more opportune or legitimate than steel shipbuilding. I have recently heard of these two objections advanced by Canadians: First, that the facilities and experience of Canadian machine shops were inadequate to produce the engines required for ocean going ships; and, second, that the present high costs of materials make this an unfavorable time to inaugurate this new industry.

The first objection will not be supported by marine engineers familiar with Canadian shop equipment and practice, and these are the best authorities on the subject. It is true that there are at present no Canadian shops exclusively equipped for large marine engine construction for the good reason that there has been no Canadian demand for the product of such shops; but there are in Montreal, Toronto and Hamilton, not a few works quite capable of filling orders for marine engines of any size if the price were sufficiently tempting.

Those who have noted the successful inauguration in Canada of great factories producing locomotives of the largest class, electric generators of the greatest power, and steel works producing nearly all forms of rolled, forged and cast steel, will not seriously doubt the mechanical and physical ability of the Canadians to engage successfully in the comparatively easy operation of building the hulls and engines of ocean-going ships.

As To High Costs.

There are many conclusive arguments available to refute the second objection, but, as a newspaper has no space for an essay on economics, I will simply say that no industrialist in any country ever heard of a new manufacturing industry being successfully started when the cost of materials were at their lowest, for that is the time when such industries in other lands, long established under other conditions, can operate and survive with a low price for their finished products; but it is also the time when the projectors of the same industries in new regions generally see their enthusiastic efforts result in failure. The economic reason is simple: High material and labor costs always drive still higher the price of the product and consequently the rate of profit—as every manufacturer knows from experience.

The Market Outlook.

The particular question which the experienced industrialist will ask in studying the question of engaging in shipbuilding in Canada is: Can I depend upon a demand for the product of my shipyard for a sufficient length of time and at sufficiently remunerative prices to assure a reasonable return upon the necessary investment?

To guide him to a right conclusion he will of course first survey the present conditions of supply and demand for shipping, and these are some of the facts which he will discover:—

1. That since the beginning of the war and up to March 1, 1917, there had been destroyed by acts of war (and without regard to losses from natural causes), 4,511,100 tons of shipping, and that German submarines are at present sinking ships at the rate of [illegible] of that total tonnage each month; if continued at this rate for one year, nearly half the mercantile shipping of England will be lost at the end of this year.
2. That the British Cunard Steamship Line has actually placed orders in the United States for [illegible] 7,500 tons to 12,000 [illegible] additional orders [illegible]

Continued on page [illegible]

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NEWS OF SECURITIES—Situation Continues Dul

STEEL

Uncertainty in Situation Continues, But Security Market Shows Strength.

By P. Bain, M.E., Editor Canadian Machinery.

The uncertainty in the International situation which has been dominating the market for several weeks has been further prolonged by the action of the United States Senate blocking the armed neutrality measure. Steel stocks, however, have become, although rather unexpectedly, stronger and more active, notwithstanding the apparent unimportance of actual gains. It is pretty generally believed that the United States will eventually be drawn into the conflict in order to protect its rights; meantime, the outlook remains unsettled, under which conditions a cautious attitude is the safest policy.

The situation in the steel trade has improved slightly during the week, although the point has not yet been reached where all fears may be said to have vanished with regard to supplies of raw materials. The railways have been able by means of concentrated effort to relieve the congestion of some classes of freight, principally coal, but this has been done at the expense of other commodities. The acute situation which has been hampering operations at the steel mills for some weeks has been relieved to some extent by the increase in receipts of coke at the furnaces; this, it is hoped, will permit of outputs being materially increased at an early date. Coke production in the Connellsville district has increased, and the abnormal prices which obtained recently are declining to more reasonable levels. The less severe weather has been largely responsible for the improvement in the coke situation, both as regards production and shipments.

Shipments of pig iron are moving more freely, but prices are still climbing. Furnace operations continue along restricted lines, being hampered by lack of coke. Developments in the U. S. pig iron market indicate that an active buying movement is under way. Export and domestic demand has increased considerably, but bookings are restricted owing to shortage of stocks and reduced output. The market is thus very strong in the U. S., and prices are advancing. The output of pig iron in Canada has not as yet materially increased. Every pound that is being produced is going into steel, and even for this purpose supplies are not sufficient for the demand. Domestic furnaces are bare of foundry iron, but it is possible that in a few weeks there will be some on the market.

Production of steel is still below capacity, although the outlook is more favorable. It will, however, probably be some weeks before conditions at the mills are really satisfactory, and steel production reaches the level which obtained during the latter part of 1916. Notwithstanding the adverse conditions militating against capacity production, the steel companies are making a fine showing in regard to the steel output for munitions. Plant extensions have, of course, enabled them to considerably increase their output; the Nova Scotia Steel & Coal Co., whose report for 1916 was recently issued, being a typical case. Its output of forged shells in 1916 was 90 per cent. greater in number and 120 per cent. greater in weight than in the previous year, while the total shipments of finished steel, forgings, etc., showed an increase of as much as 64 per cent. It is understood that the Dominion Steel Corporation and Steel Company of Canada have both enjoyed unusual prosperity during 1916, the earnings for that period being expected to beat all previous records.

Prices of steel products continue very firm, with a decided upward tendency. The leading interest in the States has made an advance of $4 per ton in the prices of all wire products; this has been reflected in prices of corresponding Canadian products, with the exception of wire nails. The advance was prompted by large sales in conjunction with heavy reduction in output, together with an unsatisfied pressing demand from all quarters. Plates are bound to reach considerably higher levels owing to the large excess consumption over production. The mills are declining large tonnages because their capacity is quite unable to cope with the extraordinarily heavy demand. The urgent call for ships is the principal reason for the unusually tight situation in plates. Higher prices on wrought pipe are likely, as skelp has recently advanced. Steel bars and shapes are unchanged, but very firm. Sheet mills continue to operate at reduced output, productions ranging from about 75 to 85 per cent. of capacity owing to the unsatisfactory traffic conditions. Shut-downs at the sheet mills are threatening all the time owing to the shortage and uncertainty of supplies of raw materials, chemicals, and fuel. Practically all mills are sold up for most of their first and second quarter output; prices are thus very firm, and seem certain to advance. Galvanized sheets are already up. Premier No. 28 gauge is quoted at $7.70, and 10¾ oz. at $8 per 100 lbs., with still higher prices expected.

	Close March 1	Close March 8	Change
Can. Car, com.	28	30	+2
Do., pref.	73	73	..
Can. Loco., com....	54	56	+2
Do., pref.	88	89	+1
Dom. Bridge	140	139	—1
Dom. Iron, pref....	95	94	—1
Dom. Steel	62	66½	+4½
N.S. Steel, com....	98	101	+3
Steel of Can., com.	60	67½	+7½
Do., pref.	95	97	+2
Steel Foundries ...	180	184	+4

EASTERN CAR CO.

According to the annual report of the Nova Scotia Steel & Coal Co., its subsidiary, the Eastern Car Co., had a somewhat unsatisfactory year. The impossibility of obtaining prompt delivery of materials greatly restricted output. The experience gained in the production of a foreign type of car, and the much higher prices at which recent orders were taken, will, it is confidently expected, make the present year's operations show not only a satisfactory profit, but at least help redeem the losses of its predecessor.

CANADIAN LOCOMOTIVE WORKS.

The Canadian Locomotive Works, Kingston, Ont., have been successful in securing important orders for locomotives, including 20 for the Canadian Government railways, and ten large Mikado type engines for the Grand Trunk Railway System. As shell production is still being prosecuted to the full capacity of the large amount of equipment installed for the purpose, and as no abnormal circumstances have developed to militate against profitable output, the financial standing of the company may be said to be not only sound but improvingly so daily.

DOMINION STEEL CORPORATION.

The fiscal year of the Dominion Steel Corporation ends on March 31, but the annual meeting will not be held until about the end of June. On account of large earnings, and therefore a favorable financial showing as to net profits, it is believed that the directors will give consideration to dividends on the common stock, although the view is held in some quarters that advantage will be taken of the present prosperity to still further materially improve the physical condition of the various plants The company has already spent large sums of money on plant improvements out of earnings, and, in addition, has cleared off all indebtedness to the banks. It is understood that earnings for the fiscal year will show over 20 per cent. as a clear surplus on the common stock. The outlook in the steel industry is unusually bright, and a continuance of the prosperous conditions is anticipated for many months to come. A big year is expected in the coal end of the business. Stocks of coal are almost depleted, and it will be a considerable time before they are normal. The closing quotation for the common was, a week ago, 66½, comparing with 62 this week end.

CANADIAN CAR AND FOUNDRY.

The loss which the Canadian Car & Foundry Co. are likely to sustain over the fire and explosions at their Kingsland plant cannot be accurately estimated until questions of liability have been settled. It is probable that the loss will run between $1,000,000 and $1,250,000. Insurance amounting to over $3,000,000 has not yet been paid, but it is believed that this will be settled in a way satisfactory to the company. Notwithstanding the loss from this disaster, it is claimed that the Russian contract will, in the final accounting, show a profit, after all charges are met. The amount of the latter will, of course, depend largely on the settlement of insurance. The Canadian Car & Foundry Co., it is asserted, is well supplied with funds to meet all liabilities and to discharge all expenses as they occur. Quotations on common and preferred stocks closed at 30 and 73 respectively, as compared with 28 and 73 a week ago.

Canada is to get no part of the big order for steel cars for the French Government, word to that effect having been received by the Canadian Car & Foundry Co. this week. The tenders were asked for 40,000 cars, through Morgans, and the Canadian Car & Foundry Co. put in a bid, which was under consideration for some time. Part of the order has already been placed in the United States. We understand that it has been decided to considerably curtail the number of cars for which figures were asked, and that those ordered will be built entirely in the United States. This news is rather disappointing as it was confidently expected that the major part of the order would come to Canada. The company has plenty of business on hand, however, to keep it busy for a long time. The preferred stock, which wound up last week at 72, firmed up to 75 this week, later receding to 73¼ asked and 73 bid The common also took a little start, going from 28 to 31, and still lingers in that vicinity.

NATIONAL STEEL CAR.

The annual statement of the National Steel Car Co., Hamilton, Ont., although overdue, has not yet been issued. The shares continue to decline, having broken to new low levels, the lowest in a long time. Opinions vary as to the cause the most persistent one being that back dividends will not be paid. That the dividends should be affected seems difficult to realize, as the company commenced the year 1916 with $10,000,000 worth of business booked. It is understood, however, that the company had experienced production difficulties for a considerable time, a foreign order on hand being responsible. Loss of profits naturally resulted. It is believed, however, that the trouble has now been overcome, and that the operations since the beginning of the present year have been satisfactory. It is altogether probable that the 1916 report will be unsatisfactory to the shareholders. Closing quotations are 13 and 42 for the common and preferred stocks, respectively, as against 14½ and 55 a week ago.

STEEL CO. OF CANADA.

The annual statement of the Steel Company of Canada is being prepared, and on completion will be placed before the board of directors at a meeting to be held probably soon after the middle of the present month. It is understood that the statement will be an unusually satisfactory one, and will justify the hopes that the shareholders have placed in their stocks. It is considered extremely likely that the board, when it meets will be in a position to indicate the future dividend policy of the company by announcing the initial quarterly dividend for 1917. It is quite generally believed that in this connection, as well as in the statement to be submitted, that the shareholders will not be disappointed. Steel of Canada's earnings, according to conservative estimates, will show equal to $45 a share on the company's $11,500,000 of common stock. Closing prices on the latter this week and last are 67½ and 60 respectively.

NOVA SCOTIA STEEL & COAL.

Although the annual report of the Nova Scotia Steel & Coal Co. showed a large increase in business and was in many respects a wonderful record, the statement came as a distinct disappointment to the street. This disappointment was partially reflected in the action of the stock market, when the stock declined 2¾ points additional to that of 11 points from the immediately previous high level. The falling off in profits for the second half of the year, as compared with the first, did not seem to be relished by the "street." How this falling off came about is not made clear in the statement, however. The Eastern Car Co., subsidiary, had an unsatisfactory year, which no doubt adversely affected the parent concern. The orders for steel products on the company's books at the present time is equal to 74 per cent. of last year's shipments, and is sufficient to keep the plant fully employed for the next six months at least. The closing quotation was 101, as compared with 98 a week ago.

MARITIME NAIL.

The annual statement of the Maritime Nail Company of St. John, N.B., has not yet been printed but the figures are in the hands of the directors and some others. The company had a good year and net earnings of over $200,000 but this fell somewhat under what was expected due to fluctuation in the market both for rods and the finished product. The year upon which the company has entered promises to be even better than the past.

Out of the net earnings the company has paid the quarterly dividends on the preferred stock and besides is now paying each month a quarterly dividend on the deferred payments, these covering a period of well on for two years. The back payments will be concluded in June.

The prosperity of the company since the outbreak of the war has been almost phenomenal. The management very shrewdly bought a very heavy stock of rods when the price was low, and this is one great secret of present success. Another reason for the present highly satisfactory state of affairs is the steady market for the company's output of nails. The article turned out seems to suit the requirements exactly. The problem is not to find buyers but to supply the overseas market.

The capital of the Maritime Nail Company is $340,000 preferred stock and $365,000 common. The question of a dividend on the common stock will not come up till after all the arrears on the preferred have been paid off.

CANADA FORGINGS.

Canada Foundry and Forgings, which closed last week at 170, has been entirely neglected by traders this week. The company has extensive orders on hand which will tax the capacity of the various plants for a long time. Capt. W. M. Weir, the president, is in the South.

TEXTILES

Securities During Week Were Firm, and This Was Justified by Conditions.

By H. H. Black, Editor Dry Goods Review.

Textile stocks during the week have held firmly and the steadiness on the exchange is quite justified. In a couple of cases there was a slight advance, while, on the whole, greater activity was manifest than during the previous week.

An outstanding fact which is dealt with in detail elsewhere in this issue, is an assurance which has reached the Government at Ottawa from Australia that the embargo on the export of Australian and New Zealand wool will be lifted immediately, so far as Canada is concerned, not to the full extent of the needs of the knit goods and woollen mills, but enough to relieve the danger of a serious scarcity in Canada that would cut down production to an appreciable extent. Fear of being unable to secure their normal supply—for nearly all the wool exported to Canada from England comes from the Antipodes originally — compelled most knit goods mills to refuse to accept full orders that the jobbers and retailers were eager to thrust upon them for next Fall.

A second report, whose absolute truth, like the first, had not been ascertained at the time of writing, was not so favorable to the woolen mills and the probable profits in their operations for the present year. This was a statement made to FINANCIAL POST on Thursday afternoon by the representative of a woolen mill that word had been received from Ottawa that the mills must be prepared to handle a big new order of khaki that would be placed by the Canadian Government, but would be intended for shipment to the Imperial Government. The explanation of this was that while the Canadian Militia Department, as stated in the POST last week, were not planning any more orders of khaki at present, as their supply was far ahead of immediate needs, the British Government had asked Canada to relieve it of a section of a Russian order that their own mills were unable to handle.

Such an "offer" from the Canadian Government would be in the nature, FINANCIAL POST was informed, of a royal command — that must be obeyed. Indeed, our informant, a woolen mill man, declared that some time ago when the mill owners objected to having their looms tied up on khaki, to the exclusion of their domestic output, the Government informed them that if they did not accept these contracts, the mills would be taken over and operated by the Government.

If this order is placed, the mills will be thrown back again to a worse position than in 1916 in turning out domestic goods, with a consequent lessening of profits.

One woolen mill reported to FINANCIAL POST that on its samples for next Fall, it had enough orders in sight to keep it going for the next 5 or 6 months,—unless the Khaki order turned out to be a definite one.

If the Canadian woolen mills can only turn out the goods, they are certain of unlimited orders. England in eleven months of 1916 exported 123,390,700 yards of woolen cloths compared with 83,894,400 yards in the corresponding period of 1915, but the demand has been so tremendous, and stocks continue to be so depleted that even a big increase for 1917—and the Lloyd George policy of speeding up munitions will hardly admit of that—will only cover a tithe of the deficit.

A report from Boston, bears this out. The American Woolen Co., with a huge output, has unfilled orders on its books for over $50,000,000. This is double the total of three months ago, and $10,000,000 greater than one month ago. In addition it looks for a big share of government business.

An extraordinary liberal appropriation for army clothing has just been passed by Congress, which means that heavy buying from eastern quartermasters may soon be expected.

In cottons, manufacturers both here and in the States, continue confident that prices will continue at least as firm as at present, and they are not worrying over profits for 1917.

CANADIAN CONVERTERS.

The course of this stock on the market indicates the strong confidence that is felt concerning its future. Starting at 40¼ the common sold later this week at 41, the highest point reached this year.

In line with the prediction made by THE FINANCIAL POST last week, J. M. Robinson & Sons, in a market letter on Canadian Converters, stated that "an early resumption of dividends on the common is confidently expected. The company is doing a splendid business, and its affairs are in good shape." There have been no transactions in the stock for some time, the asked price being 40½. The most recent sales were made at 40.

CANADIAN COTTONS, LIMITED.

A keen demand for goods is reported from all parts of the country by Canadian Cottons, Limited. Business on hand and in sight will keep the company's mills busy for a long time. The books of the company for the past fiscal year will close at the end of March but the annual meeting will not be held until May. Like all the other textile companies the Canadian Cottons has had a very successful year, although the gross sales will show a reduction as compared with the previous year. As already explained by THE FINANCIAL POST this is due to the fact that a large quantity of goods which had accumulated in the dull times, was disposed of and figured in the reports of 1915.. Automatic looms are now being installed in several of the mills of Canadian Cottons. These machines will increase the capacity of the mills, and reduce the quantity of labor required. As the old looms wear out, they are being replaced by this new and modern equipment. A board lot of the preferred, which closed last week at 78, was sold on Wednesday at 79. The common was also up a point at 53, with some 60 sales, after inactivity for a couple of weeks.

DOMINION TEXTILE CO., LTD.

THE FINANCIAL POST hears that the fiscal year of the Dominion Textile Co., which will close on March 31, will be the best by all odds in the history of the company. This will apply particularly to the volume of business done. It is still too early to make any definite statement as to profits but the cost of production has increased in many directions in the textile trades, as in all other industries, and naturally these unfavorable factors will have a bearing upon the company's earnings. The wage bill alone, increased 24¼ per cent. during nine months of the fiscal year. It is expected, however, that the company's profits, in spite of these adverse conditions, will reach a new high record. Information received by THE FINANCIAL POST is to the effect that the gross sales of the company will not be far short of $13,000,000, or approximately 25 per cent. in excess of the last year's $10,438,000.

When it is remembered that the company employs over 7,000 hands, it will be seen that an increase of 24 per cent. in wages, is no small item in the aggregate. The annual meeting of the company will be held the latter part of May. The preferred has shown considerable strength the past two weeks, and is now quoted at 103, which is 2 points within the high record achieved during the boom days last year. The common went up half a point being quoted late in the week at 81. This is the highest since the end of January.

MONTREAL COTTONS.

A drop of 2 points as compared with last week's highest of 54 was seen this week, but this figure is an average one for weeks past. Few shares were dealt in.

Montreal Cottons, whose record statement for the past year was referred to at length by THE FINANCIAL POST last week, like the Canadian Cottons, is replacing its worn-out looms with the more efficient, automatic kind, which will serve the double purpose of increasing the output and reducing the quantity of labor required. The company have all the business in sight that they can conveniently take care of, and expect to have a considerably increased output this year.

MONARCH KNITTING CO.

There were some 125 sales in common this week at 40, far above the average number of sales, no doubt stimulated by the favorable report of a couple of weeks ago. There were a few sales of preferred at 80, the average figure.

PENMANS.

It may also have been due to the very encouring statement—reviewed elsewhere—for the past year that brought out more buyers this week than for the previous part of the year. The stock opened at 69¾ and went up to 70. Next week should show even better results.

With labor difficulties it is very creditable for this firm to show increased sales of $1,097,214, with a total of $5,840,128 for the year. A portion of the increase, must, of course, be attributed to the higher prices that were obtained, which would make the output slightly higher than for 1915.

ATLANTIC UNDERWEAR.

The statement of Atlantic Underwear, Limited, which is now being sent out to shareholders, shows a profit for the year of $81,973 and after paying the 7 per cent. dividend on the preferred stock, 4 per cent. on the common and allowing for liberal depreciation on buildings and machinery, the profit and loss statement shows a balance of $35,357. In this report, speaking of the dividend, the directors say:—

"Your directors, while desirous of building up a strong reserve for future contingencies, felt warranted in recommending the dividend of 4% on the common stock, which was paid December 1. With the continued success of the company it is hoped this dividend can be maintained in the future.

PATON MANUFACTURING CO.

No figures were given out by the Paton Manufacturing Co. as to their gross sales or profits for the past year, but the 13 per cent. dividends speak rather eloquently. THE FINANCIAL POST understands that the company's sales showed a small increase over the previous year, and it is quite obvious that the profits were substantial. There have been no transactions in the company securities for some time. The stock is closely held, and the holders appear to be quite satisfied with it. The wool problem has been giving the management some concern, and the prospects are that very high prices will continue to rule, with supplies hard to get.

MILLING

Active and Strong Wheat and Flour Markets With More Movement in Securities.

By J. L. Rutledge, Editor Canadian Grocer.

During the course of the past week the wheat and flour markets have shown an astonishing strength and the security markets have been strong. The condition most nearly influencing this strengthening feeling was the heavy buying of wheat, presumably for export, that has characterized the week's trading. Purchases have averaged in the neighborhood of a million and a half daily. There has also been a general feeling of confidence that the European demand will continue to be brisk. This optimistic spirit forced prices up from 178¼, the figure of the first of the month, till they reached their high point on Tuesday last at 188⅞. This high figure was followed by a generally weaker feeling. Crop conditions in the West had a somewhat unsettling tendency, but it was not until news was received of the cancellation of a million bushel contract at Omaha, that the prices actually began to decline. The general confidence in the stability of general conditions, however, restrained the declining tendency and after falling nearly two points there was again a reversal and by Wednesday close the stock had climbed back to a satisfactory high figure of 188.

In sympathy with the unusually strong feeling in the wheat market, flour advanced 20 cents per barrel during the week. In face of the market of Wednesday, flour still remains in a strong position, even in face of the recent advance.

Flour companies generally are going after Government business, as they are thus assured of a quick disposal of their available stock. It is generally acceded that the probability of tonnage shortage is the main reason of the practical discontinuance of grain shipments on domestic account.

Local demand still remains light. There has been only light buying, even the strong upward trend of the wheat market has not as yet had any upward trend on local flour buying.

MAPLE LEAF.

During the past week this stock has shown a most phenomenal activity. From a period of practical quiescence, beginning with the first of the month there has been a persistent trading that has steadily increased from day to day. Opening on March 1 at 99½ there was some considerable buying. The following day showed a very much increased activity with a better feeling predominating despite the large buying. Saturday last trading in the stock inclined a little to weakness over the prices of the previous day, but the sales continued to increase in volume. Monday again opened briskly, and the small decline of the week end was more than absorbed. With nearly 1,200 shares changing hands the price continued strong. On Tuesday the lowest figure noted was only ¾ of a point off the high of the previous day and the total of the day's advance on a buying of 1,531 was 1¾ points, with a high figure of 108¾. Wednesday of this week showed a still more striking activity, the day's trading reaching the unusual figure of 1,776 shares. Throughout this buying boom the stock has shown most remarkable strength.

The preferred stock on the other hand remained at normal figures, some trading being done but showing no change in the prevailing 95 figure.

The reasons advanced for the really prenominal activity of the common stock are, the near approach of the business year of the company and the practical assurance that the company has enjoyed an unusually good business during the year. Though there has not been a great deal said of this stock, it is generally known that the company's sales have been of a heavy nature, the bulk of these sales reaching the British Government through various channels. It is the general feeling, that the eight per cent. stock of this company, considering the business being done amply justifies even the present advanced prices. Officials of the company feel that the former figures did not fairly represent the value of the stock, but were the result of the general pessimistic feeling in all milling trading, and they look at the week's activities in the stock of their company, as the natural regulative action due to a better feeling in the market.

LAKE OF THE WOODS.

There was very little activity to be noted in this stock during the past week. The preferred showed no trading while the common showed an indication of activity early in the week, though at no advance on the 126 figure.

OGILVIE MILLING.

Some activity developed in the common stock of this company on Wednesday of this week, and the feeling was somewhat stronger. The advance was of three points on the last recorded sale and stood at 140 with a selling of some 125 shares. Only one sale was noted at this date in the preferred, but this also showed a slight advance.

PULP AND PAPER

Slightly More Activity Among the Speculative Stocks This Week, With Prices Again Inclining to Strength.

By W. A. Craick.

On the whole there was slightly more movement in the pulp and paper group this week. This movement was perhaps more noticeable among the speculative issues, though the older investments stocks came in for some attention as well. Price changes for the week were generally favorable, nearly all the active stocks registering advances, as indicated by the following table:—

	Close March 1	Close March 8	Change
Laurentide	181	182	+1
Riordon	117	118	+1
Spanish, com.	16½	18	+1½
Do., pref.	53	55	+2
Wayagamack	83	80½	—2½
Brompton	52	56	+4
N. A. Pulp	7	7¼	+ ¼
Net change for seven stocks			+7¼

The most important news of the week in paper circles has been the announcement that the Federal Trade Commission had fixed the price of standard newsprint paper in rolls, for the period March 1-August 31, at $2.50 per 100 lbs., f.o.b. mill in carload lots and $2.75 per 100 lbs. in less than carload lots. In sheets the fixed price is $3.25 for carload lots and $3.50 in less than carload lots. Following on the action of the Canadian Government in fixing prices in Canada at practically the same figures, it appears as if there had been an understanding between the authorities of the two countries. As, however, prices have ruled lower in Canada than in the United States, in the past, it would appear as if newspaper publishers in Canada were not coming out of the negotiations quite so successfully as their American confreres.

The Federal Trade Commission, in making its report, finds that there is enough newsprint paper to meet all necessary demands during 1917 but recommends the strictest economy in its use. The report further states that the sysem of distribution is faulty and shortages might easily be developed. Within the past year prices to large consumers have been advanced from $40 to over $60 and $70 a ton and in some cases to $90 per ton, while smaller publishers have had to pay as high as $150 a ton. Financial strength of great daily publications might enable them to survive but smaller newspapers would suffer seriously if conditions were allowed to continue.

It is stated that the fact that American manufacturers agreed to accept the price ruling of the Commission, did not involve the dropping of proceedings against them for maintaining a combination to keep up prices. These proceedings, it is understood, will be continued, the Commission being determined to restore competitive conditions in the newsprint industry.

Reports to the Newsprint Manufacturers' Association during the past two weeks indicate that conditions are becoming serious owing to the difficulty in securing supplies of pulp wood and coal, as well as cars for moving out the manufactured product. Some mills have actually closed down. Eastern Canadian mills have piled paper in the mills until storage space is exhausted, because of inability to get cars. Reports from Minnesota say paper mills there are only receiving about 70 per cent. of their usual supply of wood. Combined mill stocks on February 17 amounted to 7,325 tons, as compared with 3,853 tons on January 27.

CANADA PAPER.

At a meeting of the directors of the Canada Paper Co., F. J. Campbell, general manager of the company, was elected a director to fill the vacancy caused by the death of the late Hon. Robert Mackay.

LAURENTIDE.

There has been no resumption of trading in Laurentide stock, only a matter of sixty shares changing hands during the week. As a matter of fact, very few sales of this stock have been made since the beginning of the year. It is firmly held as an investment security.

SPANISH RIVER.

At 18, to which level the stock was advanced on Wednesday, Spanish River common is a point and a half above its price a week ago. The preferred has also made a better showing at 85.

WAYAGAMACK.

Wayagamack has been the one paper issue to show a decline this week. There has been a steady sagging movement in these shares since the middle of February, and at 80½, at which level sales took place on Wednesday, the stock is four points below the level of February 22.

BROMPTON.

Shares of the Brompton Pulp & Paper Co. were in more demand this week, and from 53, they sold up to 56. Brompton was the most active stock of the week and its upward movement is indicative of the improved tone of the market for paper stocks, in view of the settlement of the price difficulty.

RIORDON.

A report from Haileybury states that an engineering party is on the ground making surveys for the new sulphite plant which the Riordon Company propose to erect there. The first unit of 100 tons is expected to be in operation early next year and other units will be added until a capacity of 500 tons is attained.

Riordon stock sold on Tuesday at 118½, but eased off to 118 on Wednesday and Thursday, with some sales at 117.

HOWARD SMITH PAPER CO.

The Howard Smith Paper Co. will shortly cease the manufacture of newsprint which they have carried on at the Crabtree plant, and will confine their operations to the manufacture of high-grade paper. The machine which is now in operation at the Crabtree plant is one of the most efficient that can be secured. The company propose spending about $150,000 in putting the plant in first-class condition. The sulphite bond paper which it is proposed to manufacture, has heretofore been imported from the United States, consequently the efforts of the company will mean an addition to the trade of the country. The extremely satisfactory earnings of the company, which are referred to in detail elsewhere in this issue, were entirely made from the Beauharnois plant. The company has already contracted for all the raw material required for a business double that of the past year. The asked price of the stock has dropped a point to 69 from 70 within the past few days. No sales have taken place for some time.

INTERNATIONAL PAPER.

Announcement is made that practically a majority of the preferred stock of the International Paper Company has already been actually deposited under the plan for the adjustment of the deferred dividends on the issue, and in addition holders of a large amount of the stock which has not yet been actually deposited, have indicated their approval of the proposal. The early deposit of such a large amount, it is stated, indicates the favorable reception of the plan.

The forced reduction in the price of newsprint, as a result of the order of the Federal Trade Commission establishing a basic price of $2.50 per 100 lbs., involves a serious monetary loss to International Paper. For the six months it means the cutting off of at least $2,500,000 of gross income. And it is only fair to state that this $2,500,000 would have been practically all net because the $20 per ton increase in price was only partially represented by higher costs of paper production.

The subtraction of $2,500,000 from 1917 net earnings of International Paper would mean the loss of more than 14% on the $17,440,000 common. As a matter of fact the lower range of prices established from March 1 is likely to rule throughout the balance of 1917, so that the prospective cut in net earnings this year may easily total $4,000,000, or 23%, on the common.

TRANSPORTATION

Railway Situation Attracts Wide Attention—Securities Show Further Weakness.

A despatch from Winnipeg is to the effect that in Western political and business circles it is reported that the first measure to come before parliament when it convenes will be a bill placing the Grand Trunk Pacific in the hands of receivers; this is regarded as a preliminary step to placing the system under Federal control. What form of control that will be is the most interesting point in the transportation situation to-day—and many days. Will the government also take over the Grand Trunk? Will it include the Canadian Northern as well? Will it swallow the whole dose of nationalization and take the three big systems? These are questions which are being considered. As already pointed out The POST believes that the recent statement of Sir George Foster on the part of the government, to the effect that the railways had themselves handled the recent crisies better than if the government had taken the systems over, is an indication that government ownership is not popular with the powers at Ottawa. It would not seem likely then that the government will go further than take the steps which may be deemed necessary for the protection of the interests concerned. Whether this will mean the inclusion of the whole Grand Trunk system and, possibly, the Canadian Northern remains to be seen. However, we doubt if there will be anything more than a tentative policy laid down until conditions are more settled.

The market for railroad securities is weaker. Earnings are holding up well but there can be no evading the fact that the outlook as regards labor, fuel and replacement and repair charges are such as to cause apprehension. There does not now appear to be much hope that the railroads will be able to defer the buying of the materials of which they are so badly in need until prices return to normal, for the opinion is gaining ground that if the war continues much longer there will be such a demand for metal products for other purposes that there will be no material readjustment of price for an indefinite period. Following are earnings for February:

February	1917	1916	Change
Can. Pac.	$ 8,832,000	$ 8,546,000	+$286,000
Gr. Trunk	3,853,004	4,032,715	— 179,711
Can. North.	2,358,600	2,089,200	+ 269,400
	$15,043,604	$14,667,915	+$375,689

CANADIAN NORTHERN.

An Order-in-Council passed under the provisions of the Canadian Northern Railway aid act of 1914 declares the Canadian Northern Pacific, the Canadian Northern Western and the Canadian Saskatchewan companies' lines has "worked for the general advantage of Canada" and thus under the complete jurisdiction of Dominion Railway Board in regard to rate control, etc. These lines in the past have been under federal control as regards rates on through freight and from now on will be under control also in respect of local rates. There is a possibility that British Columbia may raise a constitutional issue as to the legality of the over-riding of a provincial agreement made with the company. This agreement was made by the McBride government and provided that control of rates within the province should be exercised exclusively by a provincial board.

For the last week in February gross earnings of the Canadian Northern Railway system amounted to $664,300 as compared with $647,700 for the corresponding period in 1916, an increase of $16,000 or 2.5 per cent. For the month of February the earnings amounted to $2,358,600 as compared with $2,089,200 for February a year ago, an increase of $269,400 or 12.8 per cent. From July 1, to date, the earnings were $26,822,700 as compared with $21,527,600, an increase of $5,295,100. Following are comparative figures for the month of February:—

	1917	1916	Increase	%
Feb. 7	$ 493,600	$ 429,400	$ 64,200	15.3
Feb. 14	602,000	453,100	148,900	32.9
Feb. 21	598,700	559,000	39,700	7.1
Feb. 28	664,300	647,700	16,600	2.5
	$2,358,600	$2,089,200	$269,400	12.8

In anticipation of industrial organization and development to come after the war, the Canadian Northern Railway has decided upon the establishment of a department of resources for the purpose of developing industrial opportunities along its line to the best advantage. D. F. Coyle has been appointed to charge of this department with the title of industrial commissioner; he will be located at Winnipeg.

In the following table are given the earnings of United States railroads reporting for the three weeks of February this year and the gain as compared with the corresponding period last year; also the earnings are given for a like period in January and December, and the gain as compared with a year ago:—

	Year	Gain	%
Feb., 3 weeks	$22,032,606	$ 724,804	3.4
Jan., 3 weeks	22,221,163	2,552,789	13.0
Dec., 3 weeks	23,304,295	2,115,424	10.0

CANADIAN PACIFIC.

The Canadian Pacific Railway reports gross earnings for the week ending Februray 28, of $2,537,000 as compared with $2,665,000 for the corresponding period a year ago, a decrease of $128,000 or 4.8 per cent. This is the first decrease yet shown for the year. In the previous week there was a gain of 6.3 per cent. For the month of February the earnings were $8,832,000 as compared with $8,546,000 for the same month in 1916, an increase of $286,000 or 3.4 per cent. which compares with a gain for the month of January of 18.8 per cent. Comparative figures for February are as follows:

	1917	1916	Increase	%
Feb. 7	$1,890,000	$1,876,000	$ 14,000	.7
Feb. 14	2,180,000	1,912,000	268,000	14.0
Feb. 21	2,225,000	2,093,000	132,000	6.3
Feb. 28	2,225,000	2,665,000	*128,000	4.8
	$8,832,000	$8,546,000	$286,000	3.4

* Decrease.

3,814 employees of the Western lines of the Canadian Pacific Railway have enlisted for

Continued on page 4.

THE CANADIAN BANK OF COMMERCE

PAID-UP CAPITAL - $15,000,000
REST - - $13,500,000

Head Office, TORONTO

SIR EDMUND WALKER, C.V.O., LL.D., D.C.L., President
JOHN AIRD - - - General Manager
H. V. F. JONES - - Ass't General Manager

The Bank has branches in every part of the Dominion of Canada, as well as in St. John's, Newfoundland; New York, Seattle, San Francisco, Portland, Ore.; Mexico City, and London, England. By reason of its many branches in Canada, the Bank is able to place at the disposal of correspondents abroad excellent facilities for the transaction of every kind of banking business.

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Collections made in any part of Canada at reasonable rates.

A GENERAL BANKING BUSINESS TRANSACTED

THE DOMINION BANK

HEAD OFFICE, TORONTO

SIR EDMUND B. OSLER, M.P., President
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The London, England, Branch of
The Dominion Bank
At 73 Cornhill, E.C.,

Conducts a General Banking and Foreign Exchange Business and has ample facilities for handling collections and remittances from Canada.

The
London City & Midland Bank, Limited

Head Office:
5, THREADNEEDLE STREET,
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Subscribed Capital - $114,739,020
Paid-up Capital - $23,903,960
Reserve Fund - - $20,000,000
Deposits - - - - $787,696,280

Foreign Banking Business of every kind transacted

Bills Collected.
Bills Bought and Sold.
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SIR EDWARD H. HOLDEN, Bart., Chairman

UNION BANK OF CANADA

Established 1865

HEAD OFFICE - WINNIPEG

Paid-Up Capital .... $ 5,000,000
Reserve 3,400,000
Total Assets .... over $109,000,000

John Galt .... President
H. B. Shaw .... General Manager
J. W. Hamilton ... Assistant General Manager

This Bank, having over 305 Branches in Canada extending from Halifax to Prince Rupert, offers excellent facilities for the transaction of every description of banking business.

Travellers' Cheques and Letters of Credit issued payable all over the world.

Collections made in all parts of the Dominion, and returns promptly remitted at lowest rates of exchange.

Attention is particularly drawn to the advantages offered by the Foreign Exchange Department of our London (England) Office, and Merchants and Manufacturers are invited to avail themselves of the Commercial Information Bureau established at that Branch.

CORRESPONDENCE SOLICITED

THE MOLSONS BANK

INCORPORATED 1855

HEAD OFFICE: MONTREAL

Paid-Up Capital - - $4,000,000
Reserve Fund - - - 4,800,000

COLLECTIONS

Collections may be made through this Bank in all parts of the Dominion, and in every part of the Civilized World through our Agents and Correspondents, and returns promptly remitted at lowest rates of exchange. Commercial Letters of Credit and Travellers' Circular Letters issued, available in all parts of the World.

Edward C. Pratt, General Manager

NEWS OF SECURITIES

Continued from page 3.

active service, according to the records of the Company at Winnipeg. Of this number 74 have been killed and 256 have been wounded. The Canadian Pacific Railway is credited with giving more men to the British army than any other organization in Canada. On January 1, 7,114 employees of the company had enlisted, of which 176 had been killed and 415 wounded.

In connection with the present comparatively low level of Canadian Pacific, there are other factors than the uncertainties of the future in which the cost of labor and materials is such an important factor. Since the outbreak of the war there has been a steady movement of the stock to this side of the water, and this has required heavy absorption by investors in Canada and the United States. In 1911 holders of common stock in Great Britain made up 65 per cent. of the lists, while those in Canada and the United States represented 20 per cent. In October of last year the percentages had changed to 49 and 37 respectively, and since then the movement has steadily continued. German liquidation is indicated by the fact that in 1911 10 per cent. of the total holders were German, and four years later the percentage had dropped to 5.3, and the present actual German holders are much below this, as there has been a large volume of stock sold and not yet transferred. Canadian holders in 1911 totalled 2,500, and in October last the number was 6,531, or 12.7 per cent. of the total.

The company's capital stock has been increased several times during recent years. In November, 1909, $30,000,000 additional stock was allotted at 125, making the total amount outstanding $180,000,000. A further block of $18,000,000 was allotted in January, 1912, at 150; $2,000,000 was sold during 1912 at a premium of $2,860,000; and $60,000,000 was allotted at 175 in January, 1913.

Oddly enough, the number of French holders has increased slightly since the war. In 1911 the percentages of stockholders were as follows: Great Britain, 65; Canada, 10.41; United States, 9.59; Germany, 10; France, 5. In 1916 these figures read as follows: Great Britain, 49.25; Canada, 15.13; United States, 22.13; Germany, 5.34; France, 5.82; other countries, 2.33.

The stock developed further weakness and sold down to 152½. This is no doubt due to the very unsettled and unsatisfactory conditions which prevail in transportation circles, with the prospect of further difficulties as regards labor and prices for raw materials which will cut heavily into profits in the event of the systems being forced into the market of the present or the near future to buy materials. Evidence is accumulating that the expectation that the end of the war will see a readjustment of prices for steel and other metals is likely to prove a disappointment, and that high costs for railroad materials will be continued indefinitely.

GRAND TRUNK.

Gross earnings of the Grand Trunk Railway system for the last week in February amounted to $1,139,386 as compared with $1,174,099 for the corresponding period in 1916, a decrease of $34,713 or 2.9 per cent. For the month of February the earnings were $3,853,004 as compared with $4,032,715, a decrease of $179,711 or 4.4 per cent. For the month of January the earnings showed a gain of 9.02 per cent. Following are comparative figures for February:—

	1917	1916	Decrease	%
Feb. 7..	$ 928,462	$ 937,937	$ 9,475	1.0
Feb. 14..	828,671	957,195	128,524	13.4
Feb. 21..	956,485	963,484	6,999	.7
Feb. 28..	1,139,386	1,174,099	34,713	2.9
	$3,853,004	$4,032,713	$179,711	4.4

For the week ending February 14, the gross earnings of the Grand Trunk Pacific Railway amounted to £13,747 as against £18,016 for the corresponding period last year, a decrease of £4,269.

CANADA STEAMSHIPS.

A tone of optimism characterized the utterances of President James Carruthers, and General Manager Norcross, at the annual meeting of the Canada Steamships Lines, held at Montreal, on Wednesday morning.

Mr. Carruthers, in moving the adoption of the report, expressed the opinion that there was no good reason why the present satisfactory conditions in the shipping business should not continue for a long time.

The early faith of the promoters had been abundantly justified, he said, but much yet remained to be done in developing existing trade routes, and establishing new ones.

Continuing Mr. Carruthers said:—

"The proportion of expenses to earnings continues to decrease steadily, showing that overhead expenses and operating costs are being kept down. The figures for the past three years are as follows: 1914, 80½ per cent., 1915, 71 per cent.; 1916, 67 per cent. This decrease in operation has not been made by allowing our fleet to run down, but we have kept our vessels, docks, etc., in good shape, and have spent considerable amounts on some.

"In the balance sheet before you there is an entry showing the amount of dividend arrears in respect to the preference shares, namely, $1,531,250. Of this amount $875,000 has since been paid off, and fully expect that the balance still due will be paid off at an early date.

"The quantities of ore, coal and other commodities to be moved are enormous and it is worthy of note, that the amount of grain at the head of the lakes, waiting for the opening of navigation, is larger by several million bushels than it was at the same time last year. The general crops in the North West, and wheat in particular, were largely underestimated. Instead of between 150 and 160,000,000 bushels of wheat, it is now known that the yield was approximately 225,000,000 bushels. This even at the price of $1.50 per bushel, means over $100,000,000 more to our Western farmers than was anticipated.

"Owing to the high prices all over the world for food stuffs, of every description, and the enormous demand from Europe, there is the greatest possible incentive to our farmers in the East, as well as in the West, to produce as much as possible, everything in the way of staple foodstuffs. I do not doubt that our farmers will take the fullest advantage of the situation, benefiting themselves and the country at the same time, and I feel confident that, with favorable weather conditions, Canada should, in 1917, raise the largest crops in her history."

J. W. Norcross, vice-president and managing director, in seconding the adoption of the report said that the results of this year up to date, were very satisfactory. Mr. Norcross reviewed the business done during the year, dealing with all the services of the company. The passenger service, he said, had been larger in proportion than in 1913, which was considered the banner year of the old Richelieu and Ontario Navigation Co.

Replying to a question asked by Gordon Strathay, Mr. Norcross said that the company had no new boats under construction, but was considering the purchase of a number.

Haig Elms was informed that the hotel business had shown a big profit, although prospects of a big strike last summer had interfered. At the time of the strike talk, the hotels were filled with guests, and they started off home much sooner than they would ordinarily have done.

W. E. Burke, general manager, and F. S. Issard, comptroller, were elected to the board of directors, replacing Lieut.-Col. Sir H. Montague Allan, who goes on the London advisory board, and Aemilius Jarvis.

The preferred stock closed at 84 last week and advanced a point this week, but lost the gain and more on Wednesday, when there were sales at 82½. The common has ranged from 36 to 36½, which is up a couple of points from last week's close.

ELECTRIC RAILWAYS

Strength Developed by Some Canadian Securities During the Week.

Holders of securities of electric railways, steam roads and utility projects generally should be interested in the discussion before the Canadian Mining institute at Montreal for electric railways to entirely replace the steam systems throughout the provinces of Ontario and Quebec. The suggestion as discussed involved the development of water powers in both provinces to provide the energy required, it being contended that power for motive purposes was more important than for the operation of industrial plants.

Electric railway stocks have come in for considerable attention during the week and the strength of the Toronto and Winnipeg companies was interesting in view of the fact that, while the prices of these securities have been low, the speculative features in connection with them have been regarded with a degree of uncertainty by investors.

The effort of the City of Toronto to expropriate the section of the Metropolitan Railway within the city is of more than local significance as it involves the question of the rights of private interests and this question looms large in the affairs of all public utilities in the province of Ontario. To take from the company the section the city desires would be to rob it of entry to Toronto, a right which it obtained for thirty-five years by a charter made in 1894. If the application is granted it will be another example of the fact that the Ontario Legislature declines to recognize the responsibility of provincial contracts, an attitude which had already been criticised as undermining credit in the British market.

NOVA SCOTIA TRAMWAYS.

An act is being introduced into the Nova Scotia legislature which provides that the Nova Scotia Tramways and Power Company shall not be compelled to begin the development of its power sites until ordered to do so by the N. S. Board of Commissioners of Public Utilities. The company intends to await the results of the experiments with tidal forces at Cape Split, or the development of hydro-electric powers elsewhere before making expenditures on the Gaspereau proposition.

DULUTH-SUPERIOR.

For the week ending February 28, the gross earnings of the Duluth-Superior Traction Company amounted to $29,713 as compared with $28,359 for the corresponding period last year, an increase of $1,354 or 4.8 per cent. For the month the earnings were $116,471 as compared with $104,422, an increase of $12,048 or 11.5 per cent. Comparative figures follow:—

	1917	1916	Increase	%
First week....	$ 28,414	$ 25,251	$ 3,162	12.5
Second week..	29,277	25,232	4,0'4	16.0
Third week ...	29,066	25,579	3,487	13.6
Remainder of Month	29,713	28,359	1,354	4.8
Month	$116,471	$104,422	$12,048	11.5
Year to date..	$244,566	$208,618	$35,947	17.2

B. C. ELECTRIC.

For the month of January the gross earnings of the British Columbia Electric Railway Company, amounted to $627,130 as compared with $591,949 for the same month last year, an increase of $35,181. Working expenses, maintenance, etc., amounted to $496,651, as compared with $477,927, an increase of $18,724. Net earnings showed a gain of $16,457, the figures being $130,479 for January this year against $114,022 for January last year. The aggregate gross earnings from July 1, to date, were $4,165,921, an increase of $333,826; aggregate net earnings were $672,184, against $468,867, an increase of $203,317. Following are comparative figures of the net earnings since July last.

Net	1916	1915	Change
July	$ 63,200	$ 26,842	+$36,358
Aug.	74,134	19,734	+ 54,400
Sept.	63,051	39,816	+ 23,235
Oct.	93,418	58,775	+ 34,643
Nov.	109,537	84,139	+ 25,398
Dec.	136,366	125,538	+ 10,828
	1917	1916	Change
Jan.	130,479	114,022	+ 16,457

TWIN CITY.

Gross earnings of the Twin City Company for the third week in February amounted to $202,733, as compared with $191,550 for the corresponding period last year, an increase of $11,183 or 5.84 per cent. For the year to date the earnings were $1,500,485 as against $1,401,902, an increase of $98,583 or 7.03 per cent.

ILLINOIS TRACTION.

A comparative statement of earnings issued by the Illinois Traction Company shows gross earnings for the month of January, 1917, of $1,143,951, as compared with $1,033,941.02 for the corresponding month in 1916, an increase of 10.64 per cent. The net earnings, after deducting for expenses and taxes, amount to $455,478.76, as compared with $417,276.74, an increase of 91.6 per cent. Ten shares of the preferred sold at 88 this week. This is within three points of the high of last year.

QUEBEC RAILWAY CO.

No change has been reported in the prospects or earnings of the Quebec Railway Light, Heat & Power Co., and the price on the Stock Exchange continues about the same. It closed last week at 25¼, and has fluctuated fractionally, with a few sales every day but nothing to attract any attention. No activity in the stock is looked for until after the legislation in connection with the acquisition of the three branch lines has been passed.

TORONTO RAILWAY.

Toronto Railway was one of the stocks which chiefly benefited in the improvement of the market situation this week. From an opening at 85½ it moved up to 90. There was no particular news regarding the company's affairs, and it appeared that the improvement in the general situation was responsible for a demand which found sellers a little shy. The dulness of the market since the annual meeting has not given a full opportunity for an indication of the effect of the confidence displayed at that time by the directors as to the company's future.

WINNIPEG ELECTRIC.

In moving up to 80 on Thursday, Winnipeg Electric scored a gain of five points. Just what the improvement indicated was not shown, but the fact that the annual meeting is to be held shortly would lead to the conclusion that it will be better than had been generally anticipated.

LIGHT AND POWER

ALABAMA POWER.

The January statement of the Alabama Power Co., shows gross earnings of $156,328, as compared with $109,222, in the corresponding month of the previous year. This is an increase of $49,106, which must be regarded as very satisfactory progress. The net earnings were $110,746, as compared with $71,678, in 1916, an increase of $39,068. The total gross earnings for the twelve months ending January 31, 1917, were $988,675, as compared with $666,374 the previous year, an increase of $322,301. The company is profiting by the great expansion which is taking place, in the south. W. A. Henderson, of Montreal, a director and secretary of the company, is now on a trip of inspection of the properties of the company.

SOUTHERN CANADA POWER.

The amalgamation of Southern Canada Power, and Sherbrooke Railway, has been completed, and the control of the latter company is now vested in the Southern Canada Company. Practically all of the shareholders and bondholders of the Sherbrooke Co., have sent in their stock. The securities of the Sherbrooke Co. have a very wide distribution, there being several hundred shareholders. The Southern Canada Company are still further extending operations, and have arrangements practically completed for the acquisition of several additional light and power plants in the Eastern Townships.

CONSUMERS GAS.

The Consumers Gas Company will reduce the discount allowed for the prompt payments of gas accounts from 30 to 20 per cent., commencing April 1. This will make the net price of gas, when bills are paid within specified times when a discount is allowed, 80 cents per 1,000 cubic feet. This action followed the intimation given in these columns some weeks ago that when the situation became such that the company's dividend position was in any way affected that steps would be taken to increase the revenue. Arthur Hewitt, the general manager of the company, states that the decision is regretted by the board as a departure from its established policy but that an increase is absolutely necessary to offset the higher costs of coal. This will be appreciated when it is stated that the company consumes about 800 tons per day. Other increases in the cost of production and distribution as the result of war conditions have been absorbed by the company but Mr. Hewitt points out that the great increase in the cost of fuel as raw material from which the company's product is made has forced the directors in the course they have taken. However, when the average consumer considers the higher cost he is paying for his coal and that gas is made of the same fuel the small increase which has been made should not be considered as other than natural.

OTTAWA POWER.

The first transaction in Ottawa Light, Heat and Power since the middle of January took place during the week. The price was 90, the same as the last transaction referred to.

SHAWINIGAN.

In relation to the general situation, Shawinigan was unusually dull this week. The few sales which took place were at 126, which was unchanged from the last figure, a week before. Only five shares changed hands during the first four days

BARCELONA.

Some slight attention was given to Barcelona during the week. On a small volume of business there was some fluctuation in the price, but not sufficient to change the general position materially. The range was 12⅛ to 12⅜.

BRAZILIAN.

Brazilian, as usual, occupied prominence in the week's trading, and there was a fair volume of sales. Quotations showed some fluctuations within narrow bounds, but the tone was on the whole weaker, the close at 43 comparing with a high of 44 last week. The generally unsettled international situation, with its effect upon shipping and exchange, may be mentioned in competition with the trading attitude.

MINING STOCKS

Market is Quiet and Featureless—Labor Difficulties Are an Unsettling Factor.

This week's mining market has been decidedly quiet and uninteresting. Business on the Standard Exchange has dwindled down nearly to the 100,000 shares a day level, and there have been "feature stocks" to give it character. The war loan is undoubtedly having some influence on the market, diverting money that might otherwise be placed in mining shares, and there is also the unsettling effect produced by the labor agitations at the mines. It is still unknown whether a strike will actually be called, but, if so, it is understood that the mine managements will not attempt to run their mills, but will close down and devote all their energies to development. They will also take advantage of the opportunity to carry out plans for alterations and enlargements. The feeling, however, is that the strike will not eventuate.

Bar silver continues to react, though the net decline during the week has only amounted to ⅜ cent. Last Friday, New York quotations were 76¼ cents an ounce. Saturday and Monday, the price advanced to 76⅝ cents. On Tuesday it was off to 76⅜, and on Wednesday and Thursday to 75½. Yesterady an advance occurred to 75⅞ cents.

HILLCREST COLLIERIES.

The difficulties which have attended mining operations in Western Canada are reflected in the annual statement of the Hillcrest Collieries which is reviewed in another column. Not only has there been a shortage of help on account of the heavy enlistments but labor conditions have been very unsatisfactory as regards strikes. These conditions together with the heavy payments which the company has to make as the result of the big mine disaster of a couple of years ago are responsible for the comparatively poor showing made. However, fixed charges were met and the usual 7 per cent. earned and paid on the preferred stock. There have been no transactions in the securities of the company for a considerable period.

BEAVER.

The Beaver will now go ahead to develop the Kirkland Lake gold property, in spite of the failure of the plan to include the Temiskaming Company in the undertaking. Frank L. Culver, president of Beaver Consolidated, has made the following statement in this connection: "The Beaver is quite capable of financing this undertaking. It was not to secure funds that the offer of stock was made to Temiskaming shareholders. The idea in our minds was that the purchase would be a profitable one for the Temiskaming holders. But seeing that they did not take that view of the matter there was nothing for us to do but withdraw the offer, which was consequently done last Friday."

Beaver was stronger on Tuesday at 45, but reacted to 44 on Thursday.

TOMMY BURNS.

The annual meeting of the Tommy Burns Gold Mines, Limited, was held at South Porcupine on Feb. 28. The following directors were elected: Clarence R. Pope, President; Cecil A. Culbert, Vice-President; Frank Horne, Secretary-Treasurer; F. W. D. Wilkins and A. H. Reamsbottom. The head office now being permanently established at South Porcupine, all business will hereafter be conducted direct from the camp. This is the first company to transact all of its business direct from the camp. After the meeting the directors accompanied Engineer Hamlin Brooks Hatch to the Tommy Burns property, and were pleased with the physical condition of the property.

PETERSON LAKE.

Sir Henry M. Pellatt has sent the following letter to shareholders of the Peterson Lake Mining Company:—"I have received another circular from Mr. Forst, from which it is evident that he still holds the opinion that the present board of directors of the company should have been more successful in their mining operations for the current year, and that he and his colleagues could get better results than the present board. Personally, I feel sure this is not the case, but I have to consider the interests of the shareholders, some of whom may feel as he does, and in order to do full justice to everyone under the circumstances, we have arranged that a number of the board will retire now, and we will elect in their place Mr. Forst and some of his colleagues, to give them an opportunity, acting in conjunction with myself and the remainder of the board, to carry into effect their own views and objects. I will remain as president until the end of the current year, in order to give to them every support and help that is possible, but I shall not seek re-election as president for the coming year. I hope this course will commend itself to the shareholders: it is done entirely in their interests, and in order to prevent a recurrence of the regrettable controversy of last year."

Peterson Lake shares advanced to 14 on Monday, but sold down to 12½ on Thursday, closing at 13¼.

TEMISKAMING.

The injunction obtained by Max Morgenstern, of New York, preventing the Temiskaming Company from holding a meeting last Monday to secure the approval of the shareholders of the plan to purchase 616,267 shares of the Kirkland Lake Gold Mining Co., has led to a withdrawal of the proposition. The injunction was granted on the basis that the shareholders did not receive sufficient notice of the deal and that the exact price of the purchase was not stated. An appeal against the decision of the Court is being instituted by F. L. Culver, president of Temiskaming, on general principles.

The defeat of the Kirkland Lake scheme did not seem to affect Temiskaming stock prejudicially. It sold up from 55 to 58 between Friday and Tuesday, closing Thursday at 57.

McKINLEY-DARRAGH.

The Callow oil flotation plant, with a capacity of 200 tons daily, which was installed at the McKinley-Darragh mine about eight months ago, is working to the entire satisfaction of the management. During the last week in January less than one ounce of silver per ton was lost in the tailings, while for December and January the loss in the tailings averaged 1.14 ounces per ton. In view of the fact that the tailings from the older method of treatment were considered low when they ran from five to seven ounces, the great importance to future treatment of the Cobalt ores by the oil flotation process can readily be seen. Practically all the plants in operation here are using an oil mixture, consisting of pine oil, coal tar and coal tar creosote.

HOLLINGER.

At the annual meeting of Hollinger Consolidated this week it was announced that dividends for the time being will be distributed at the rate of 1 per cent. every eight weeks, instead of 1 per cent. every four weeks, as in the past. Discussing the Porcupine mining and labor situation, the managing director stated that there was talk of a strike in the camp. Such a strike would hurt only the men, as "the mine has fulfilled every promise," he declared. Moreover, the company, since it had been relieved of the burden of earning the larger dividend, was enabled to push development. On this account, Mr. Robbins said, he was pleased to report that he could safely add at least one million dollars to the estimated value of the ore reserves as of January 1, which was given in the annual report as $34,186,000. Jules R. Timmins, mine secretary, was added to the board of directors, all of whom were re-elected.

Hollinger continues to sell between $5.2 and $5.35 a share, closing on Thursday at $5.25.

MINING CORPORATION.

Much interest has been shown in mining circles in the transfer of the Mining Corporation of Canada from England to Canada. In this connection, the following statement, bearing on the reorganization of the company, has been issued: "The old Canadian company had a capital of $2,075,000, in shares of $1 each. The English company owned approximately 92½ per cent. of the shares of the Canadian company, and was capitalized at £1,660,000. A new company has been organized, with a capital of $8,000,000, in shares of $5 each. The shareholders of the old Canadian company will receive four

Continued on page 5.

Penmans Limited

Corporate Office, Montreal, Quebec
General Offices, Paris, Ont.

ANNUAL REPORT

for the year ending December 31st, 1916.

Submitted at the Eleventh Annual Meeting held on the fifth day of March, 1916.

DIRECTORS' REPORT.

Your Directors are pleased to submit to the Shareholders their Annual Report of the operations of the Company for the year ending 31st of December, 1916.

The Sales for the year amounted to $5,840,127.46, an increase of $1,097,212.78 as compared with 1915.

The Profits for the year were $864,779.83, inclusive of all expenses of administration, and after providing for Bond Interest, Bad Debts written off and Machinery Scrapped, the Net Profit amounts to $738,753.00, appropriated as follows:—

Preferred Stock Dividends	$ 64,500.00
Common Stock Dividends	86,024.00
" " Bonus	21,506.00
Canadian Patriotic Fund	10,000.00
War Tax	104,129.74
Transferred to Reserve Account	400,000.00
Amount carried forward	52,593.26
	$738,753.00

The Surplus of Liquid Assets over Liabilities has been increased during the year by $360,037.28, the active surplus now amounting to $1,985,121.98.

You will also notice that our Reserve Account now stands at $1,500,000, and the amount at credit of Profit and Loss Account $672,492.78.

As usual, our various Plants have been kept in good condition, the cost of repairs charged against earnings.

It is with deep regret that we record the death, during the year, of Mr. David Morrice, a member of your Board since March, 1915.

The Books and accounts of the Company have been audited during the year by Mr. C. S. Scott, F.C.A., Hamilton, and his report is presented herewith.

Respectfully submitted,
C. B. GORDON,
President.

BOARD OF DIRECTORS—1916-1917.

President, C. B. Gordon.
Vice-President, R. B. Morrice.
V. E. Mitchell, K.C., J. P. Black, H. B. MacDougall, J. R. Gordon, Wm. McMaster, John Baillie.
I. Bonner, General Manager. C. B. Robinson, Secretary-Treasurer.
Stock Transfer Agents—Royal Trust Co., Montreal and Toronto.
Bankers—The Bank of Montreal.
Auditor—C. S. Scott, F.C.A., Hamilton.

PROFIT AND LOSS ACCOUNT
For Year Ending 31st December, 1916.

Profits for the year ending 31st December, 1916		$ 864,779.83
Deduct:		
Interest on Bonds	$100,000.00	
Old Machinery scrapped	22,663.21	
Bad Debts written off	3,363.62	
		126,026.83
Net Earnings for the year 1916		$ 738,753.00
Brought forward from 31st December, 1915..........		619,899.52
Appropriation:		$1,358,652.52
To Four Quarterly Dividends of 1½% each on Preferred Stock	$ 64,500.00	
" Four Quarterly Dividends of 1% each on Common Stock	86,024.00	
" 1% Bonus on Common Stock	21,506.00	
" Canadian Patriotic Fund	10,000.00	
" Government Tax on Profits	104,129.74	
Transferred to Reserve Account	400,000.00	
Balance Forward	672,492.78	
		$1,358,652.52

GENERAL STATEMENT as at 31st December, 1916.

ASSETS.

Properties:			
Comprising Lands, Buildings, Dwelling Houses, Machinery, Waterpowers, Good-will, Trade Marks, etc.			$5,412,970.80
Current Assets:			
Cash on hand and in Bank		$ 92,913.99	
Account Receivable	$899,919.77		
Bills Receivable	14,181.52		
		914,101.29	
Unexpired Insurance		19,750.00	
Inventory:			
Raw and Manufactured Stock		2,190,751.53	
Total Current Assets			3,217,516.81
			$8,630,487.61

LIABILITIES.

Capital Stock:		
Authorized, Preferred	$1,500,000.00	
Common	2,150,000.00	
	$4,000,000.00	
Issued, Preferred	1,075,000.00	
Common	2,500,000.00	
		2,225,600.00
Five Per Cent. First Mortgage Bonds:		
Authorized and Issued		2,000,000.00
Reserve Account		1,500,000.00
Current Liabilities:		
Unclaimed Dividends	$ 324.10	
Accounts Payable	190,241.32	
Wages	19,085.29	
Bills Payable	22,794.12	
Bank Advances	1,000,000.00	
Total Current Liabilities		1,232,394.83
Surplus:		
Profit and Loss Account		672,492.78
		$8,630,487.61

I have examined the Books and Vouchers of Penmans Limited for the year ended 31st December, 1916, and certify that the accompanying Balance Sheet and Profit and Loss account agrees therewith.

I have been furnished with all information required by me, and the Inventories of Stock on hand have been taken, approximately, at cost, as certified by responsible officers of the Company.

The statements appended hereto represent, in my opinion, a true and correct view of the Company's position as at the above date.

Spectator Building,
Hamilton, Ont.,
February 2nd, 1917.

C. S. SCOTT, F.C.A.,
Auditor.

NEWS OF SECURITIES

Continued from page 4.

as much stock in the new company as they held in the old company. The shareholders in the English company will receive one share of $5 in the new company for each £1 share held in the English company.

"The English company will be wound up, and hereafter there will be only one company, operating under a Dominion charter, with head office in Toronto. The directors of the new company are::—Sir Henry M. Pellatt, president; J. P. Watson and D. R. P. Parker, vice-Presidents; G. M. Clark, Captain J. Graeme Watson all of Toronto, and D'Arcy Wetherbe and Captain R. E. G. van Cutsem, of London, England.

"For the year 1917 a quarterly dividend on the new shares of 12½c per share, with a bonus of 6¼c per share, has been decided upon by the board of directors. The first dividend and bonus were declared on March 1, payable March 15 to shareholders of record March 1. In addition, an extra bonus has been declared, also payable March 15, of 18¾c, making the entire March disbursement 37½c per share."

NIPISSING.

Nipissing directors on Tuesday declared the regular quarterly dividend of five per cent., payable April 18, but did not supplement it with an extra of five per cent. as they did in the two previous quarters.

Nipissing shares, which are rarely traded in on the Standard Exchange, are at present quoted around $8.00.

DOME MINES.

Production fell off in February and the bullion produced was less than in any month since February, 1916. Operating costs were also higher than in any month of 1916. The unfavorable results are largely due to labor shortage and the higher cost of supplies. The stock sold last at $19.75 a share and is quoted at present at $20 asked, $19 bid.

CONSOLIDATED SMELTING.

The Consolidated Mining & Smelting Company's announcement that it is now producing 35 tons of elctrolytic zinc daily, renews the interest in this phase of the company's activities. Previous to the war the price of zinc and the known methods of treatment at the ordinary copper or lead smelter were such as to penalize the shipper of zinc ore: he was actually charged a fixed rate per unit of zinc in his ore. Purely zinc smelters were and are few and far between and even they necessitated a higher grade of purely zinc ore than is commonly found. This condition arose from the fact that in the smelting of copper, lead or other of the more common ores the zinc is purposely driven off in fumes but unfortunately, in the process carries the more valuable metals with it. Hence the penalty.

By the electrolytic treatment, now perfected at the Trail plant these losses are avoided and the presence of zinc becomes an asset instead of a liability. At present the cost of treatment exceeds that incurred in a smelter devoted solely to zinc ores but this is by way of being overcome as is pointed out in the last annual report of the Consolidated Co. The establishment of this fact would enhance the value of the Consolidated shares through the ownership of the Sullivan mine, which has in sight large deposits of lead zinc ore which it was impossible to handle under the old conditions.

It is emphasized that this development presents a striking indication of the possibilities of Canada as a self-contained unit of the Empire. This is the first plant at which marketable zinc has ever been produced in Canada. The fact that Consolidated is also producing 20 tons of copper daily lends added force to the argument.

It is pointed out that the only other important British concern of this nature. Amalgamated Zinc, operating in Australia has been subsidized by the Government to insure a supply of zinc in the Empire and a minimum price established for 10 years to come thus assuring stability to the market. This was found necessary in order to warrant the building of a power plant to furnish the 4,000 h.p. necessary to produce the 10 to 12 tons of zinc which is expected daily. This compares to the Consolidated's ownership of the Kootenay Co. with its 40,000 h.p. and a present zinc production of 35 tons a day.

INTERCOLONIAL COAL.

The high prices prevailing in the market for coal are reflected in the satisfactory showing of the Intercolonial Coal Mining Company for last year. The annual statement showed an increase in gross operating profits of nearly 300 per cent. and a surplus of about $79,000 as compared with a deficit in 1915 of $37,000. An extended review of the report is made in another column.

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OTHER STOCKS

Practically all securities have shared in the general improvement of the week's trading. The net gains which have been made are not large and the activity was not to be compared with the volume of some months ago but the revival on a moderate and evidently generally healthy scale was well received, especially in professional circles. Following a period of very unsettled conditions in international affairs, during which the markets showed no disposition to respond to the influences at work, and indicated that the developments in the United States had been pretty well discounted, a moderate demand developed in New York and the Canadian exchanges noted a similar trend. At once it was indicated that the market had been pretty well cleared up at the levels which had prevailed and advances were recorded. At the same time the rise gave an opportunity for realising which had not been presented for a considerable period and the offerings increased. The result was that much of the advance was lost. However, on the whole the week closes with a fair volume of business being done and the level of prices somewhat higher than at the end of last week.

Ames-Holden-McCready.

The securities of the Ames-Holden-McCready Co., have come to life this week, after a period of somnolence. It is understood that the company has had an excellent year's business, and the "Street" evidently arrived at the conclusion that the stock offered some speculative possibilities. With gross sales probably over $6,000,000, the company is believed to have made substantial profits and while no information is available yet as to dividend possibilities it is not improbable that something will be available for the preferred. After closing at 50, last week, the preferred jumped a point on Monday, and continued its upward career until Tuesday, making a gain of ten points to 60, before the flurry was over. The common advanced from 18 last week, to 20, a number of small lots changing hands.

Black Lake Asbestos.

At the annual meeting of the Black Lake Asbestos & Chrome Company, Robert F. Massey, the managing director, referred to the strong position of the company in that drilling had disclosed that the reserve of asbestos would last fifteen years. The demand for asbestos continues strong and the price of the company's product has advanced from $45 to $90 per ton since the outbreak of the war. Mr. Massey anticipates a good demand for asbestos and materials for construction purposes after the war. The annual statement, which is reviewed in another column should be read with considerable satisfaction by the shareholders. The outlook has certainly greatly improved. For the past six months the company has declared a dividend of 2 per cent and the same will be paid for the next half-year period. After that it is confidently expected that the bonds will be placed on a full 6 per cent. basis.

B. C. Packers.

Holders of the securities of B. C. Packers are still wondering as to what effect the British embargo against importations will have on the business of that company. If it means that the exports to Great Britain are to be reduced 50 percent., the consequences will be serious. It is hoped that developments will prove that Canadian exports are not included, but there is no assurance as yet on this point. There has been no trading in the stocks this week.

Canada Cement.

Owing to the higher production costs, the Canada Cement Company have just announced another increase in the price of cement, this time of 15 cents a barrel. The increase will go into effect immediately. Increased cost of labor and all essential materials and supplies are factors which have made the increase necessary. The company is paying higher wages than during the pre-war days, and the percentage of efficiency reached by the employees is considerably reduced. This is the second increase in the price of cement within a few months, the earlier raise being 30 cents a barrel. Cement is, therefore, costing the consumers of Canada 45 cents more a barrel than they were paying six months ago. The company's securities have been on the upgrade this week. The preferred closed at 92 last week, and sold up to 93 this week. The common advanced from 60, last week's closing price, to 64, but dropped back to 63½ later.

Canada Bread.

Starting with Saturday of last week there was a considerable activity noted in this stock. This activity continued during the first two days of the week, some 600 shares changing hands. The only change from the prevailing price of 16 was noted on Monday of this week when a gain of ⅛ was made. The stock declined again to the even figure, however, before the close of the day's trading. There were also some shares of preferred sold on Monday. Here, also, there was a decline of ½ point.

Canadian Western Lumber.

The December statement of the Canadian Western Lumber Company made a very fair showing both as regards volume of business and price realized although not quite so good as for November. Compared with December 1915 a remarkable increase in prices was shown In 1915 6,401,344 ft. realized $86,546, while in 1916 8,399,258 ft. brought $143,540. Following are comparative figures:

	1915		1916	
	Feet Sold	Price Realized	Feet Sold	Price Realized
Jan. ...	2,556,156	$ 30,047	3,675,657	$ 46,575
Feb. ...	5,703,808	73,092	6,321,334	85,513
Mar. ...	9,860,589	125,095	9,653,150	138,457
April ..	7,181,783	98,880	13,312,420	205,746
May ...	9,390,519	116,534	12,091,212	187,932
June ..	7,861,267	99,497	11,364,393	166,190
July ...	7,892,620	98,005	13,140,673	190,635
Aug. ...	12,624,768	165,001	16,408,017	252,919
Sept. ..	14,380,504	182,071	13,073,587	208,878
Oct. ...	11,434,406	150,088	11,527,893	191,862
Nov. ...	6,113,186	81,516	10,053,212	159,502
Dec. ...	6,401,344	36,546	8,399,258	143,540

For the year the total number of feet sold were 129,020,818, an increase of 27,606,272 ft., while the price realized was $1,986,643 which showed an increase of $680,266

Canadian Western Gas.

The December statement of the Canadian Western Natural Gas, Light, Heat and Power Company, shows a seasonable revival in earnings which at $121,972 stand at $100,092 in 1915, but were still below the $143,749 shown for the same month in 1914. For the year the total earnings were $922,336 compared with $842,384 in 1915, and $994,564 in 1914. following are comparative figures.

	1914	1915	1916
January	$131,398	$130,286	$152,540
February	135,328	115,574	132,282
March	100,681	96,833	95,689
April	80,166	57,823	65,237
May	61,880	49,622	56,712
June	46,919	41,792	45,556
July	36,936	32,555	30,209
August	35,640	29,341	33,577
September	49,399	44,263	41,892
October	71,429	55,997	69,174
November	101,039	88,207	87,496
December	143,749	100,092	121,972
	$994,564	$842,385	$922,336

Canadian Salt.

The annual report of the Canadian Salt Company, reviewed in another column, shows an increase in profits of $46,300, the total being $209,232. The plans are being constantly enlarged and extended to meet the increasing demand for the company's products The first transaction in the company's stock this year took place this week at 128. Late quotations give 135 ask, and 120 bid, indicating a considerable difference of opinion as between buyers and sellers.

Dominion Canners.

The publication of the very satisfactory report of Dominion Canners, accompanied by dividend announcement, which is reviewed in another column, was preceded this week by a demand for the preferred stock, which took the price up from 68 to 78, a gain of ten points, and making a total of 13 points for the movement of the past fortnight. The common was in some demand at 25-26. The movement of the preferred was the direct effect of the decision to resume dividends and a declaration of 1¾ per cent. for the quarter was made. Dividends have not been paid since April, 1915, indicating arrears of 12¼ per cent. still to be met. The profits indicate that, despite the short pack of last year, the industry is now well in hand, and the outlook for the future is considerably improved. The profits shown may attract public attention at a time when there is so much talk about the high cost of living, but officials of the company state that they are quite willing to face an inquiry satisfied that they can prove full justification for prices.

At the meeting of directors, who were reelected, J. J. Nairn, of Aylmer, was made president in place of H. W. Richardson, of Kingston, Ont. W. P. Innes, of Simcoe, was made first vice-president, and R. L. Innes, second vice-president and general manager. The balance of the board is made up of H. W. Richardson, Kingston, Ont.; Sam Nesbitt, M.P.P., of Brighton, Ont.; F. R. Lalor, M.P., of Dunnville, Ont., and D. Marshall, M.P., of Aylmer, Ont.

Goodwin's, Limited.

Goodwin's, Limited, has completed the first month of the new fiscal year, and the FINANCIAL POST understands that the month showed an improvement over the corresponding month last year. This is rather better than was expected, as it was feared that there might be a falling off in business. The financial report will, as previously stated, be the best yet presented, but no figures are available yet.

The asked price for the preferred, which had a high of 75 last year, and a low of 40, is 45, but no transactions have taken place for some time. The last quotation on the common was 26.

General Electric.

Canadian General Electric common has been traded in to a considerable extent during the week, Thursday's best at 111½ being about 2½ points above the previous week. The advance is attributed to the favorable impression created by the announcement of a quarterly dividend of 2 per cent. This is at the rate of 8 per cent. and on a par with the 7 per cent. and 1 per cent. bonus paid last year, but it has the effect of formally establishing the 8 per cent. rate. Reports as to the company's operations continue to be very satisfactory.

Lyall Construction Co.

The Lyall Construction Co., it is understood has been very successful with the manufacture of munitions, and is earning very large profits. This has caused a gradual stiffening up of the stock. After closing last week at 66, 25 shares sold on Monday at 72. Later some stock was offered at this figure, but without any takers, 70 being bid. This is quite a long climb from 25½, the low price touched last year; it is also quite a drop from 93, the high price touched during the early days of munitions contracts

It is learned on good authority that the company will before very long have entirely wiped out the cost of their immense shell plant from profits. The output of shells is large, and the quality of the work entirely satisfactory. As long as there are any munition contracts to be given in Canada, this company is sure to be kept busy. Notwithstanding the large profits made by the comapny it is improbable that any dividend will be declared this year. The directors' policy is to prepare for after the war conditions.

Macdonald.

There was a little more active trading in Macdonald this week with the prices fractionally stronger than last week. The close at 14¼ comparing with 14 at the opening of the week and a high of 14¾ for the present movement. There has been no further news of importance regarding the company but developments are expected shortly.

National Brick.

The National Brick Co., of Laprairie, one of the few big brick companies of Canada, which has continued in operation during the dull building times, was obliged to suspend operations last week, owing to the coal shortage. The company's supply became absolutely exhausted, and there was nothing to do but close down. The embargo on coal has been lifted, however, and the managers are hopeful that they will be able to get a supply very soon, but do not intend to resume operations until assured of sufficient to enable them to continue indefinitely. The brick business continues very dull, and it is too early yet to say what the prospects are for the coming season. There has been no trading in the company's securities for some time.

Rogers.

Wm. A. Rogers common received some slight attention during the week's trading. Sales at 75 on Monday indicated a gain of a point over 74 two weeks ago when there was a sharp decline at the time of the annual meeting and some indication of disappointment as to the dividend policy; however, the gain was lost with sales on Wednesday at 74. There was no trading in the preferred. Reports as to the company's operations are on the whole satisfactory in relation to the conditions prevailing.

Russian Motor.

The common of Russell Motor received some attention mid-week the price under the general market revival advancing five points to 85 and then to 87. The advance was attributed to the company's earning power in general and to the improved market situation in particular. There was no particular news as regards operations. The preferred also felt the improvement, a gain of five points being shown at 115 on Tuesday; this was later increased with the price at 116 but on Thursday there was a decline on realising to 114.

Sherwin-Williams.

The market gives little indication of the trend of the affairs of the Sherwin-Williams company further than that operations are evidently being continued on a very satisfactory basis. Only two shares of the common have been sold in the past three weeks and four in the past month—all at 59. The preferred brought 99 last week but there have been no transactions since.

Smart-Woods.

Smart-Woods common was traded in mid-week for the first time since the

Continued on page 6

The Peoples Loan and Savings Corporation
LONDON, - ONTARIO

STATEMENT FOR YEAR ENDING DECEMBER, 31st, 1 16

REVENUE ACCOUNT

Dr.			
Dividends (Nos. 42 and 43)	$28,093.83	(Head Office Building)	$57,084.15
Interest on Deposits	7,380.10	Balance Carried Forward	1,192.99
Interest on Debentures	5,827.97	Interest, Premiums, Rents	
Taxes, Government Fees, Auditors' Fees	2,547.55		
General Expenses	9,638.46		
Transferred to Reserve Fund	3,000.00		
Balance Carried Forward	1,789.23		
	$58,277.14		$58,277.14

ASSETS AND LIABILITIES

ASSETS		LIABILITIES TO SHAREHOLDERS		
Mortgages on Real Estate with Accrued Interest	$692,409.35	Capital Stock	$500,000.00	
Head Office Building	34,000.00	Reserve Fund	48,000.00	
Municipal Debentures	13,187.61	Profit and Loss	1,789.23	
Permanent Stock in Course of Collection	25,605.96			549,789.23
Office Furniture	2,600.00	LIABILITIES TO PUBLIC		
Accrued Rent, Auxiliary Safes	259.00	Debentures with Accrued Interest	$130,465.61	
The Premier Trust Company	55,000.00	Savings Deposits	185,669.91	
Cash in Hand and Banks	22,635.77			316,135.52
Real Estate	4,220.40			
Real Estate under Agreement	16,006.66			
	$865,924.75			$865,924.75

WM. SPITTAL,
Secretary-Treasurer.

A. A. CAMPBELL,
Managing Director.

AUDITORS' REPORT

We hereby certify that we have audited the books and examined the securities and vouchers of The Peoples Loan and Savings Corporation, London, Ontario, and find the foregoing statements correct in accordance therewith.

GEO. W. HAYES, } Auditors.
O. H. TALBOT,

London, Ontario, January 20th, 1917.

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NEWS OF SECURITIES

Continued from page 5

early days of February. Eighty shares changed hands at 50 which price has been unchanged since the middle of January on the few transactions which have taken place in that period. There has been no trading in the preferred this year.

ST. DENIS THEATRE.

In this issue is published an interesting article in connection with the pany of Montreal. This concern went into liquidation recently, and since that time a committee of shareholders has been operating it extensively and, as the result of economies effected in the management have been able to show sufficient earnings to pay running expenses. The future of the enterprise is uncertain and mystery surrounds the formation of affairs of the St. Denis Theatre Com- a new company with somewhat the same name, neither the directors nor the shareholders' committee assuming responsibility.

Stock Movements of the Week

This table records securities active on the Stock Exchanges.

Week ending March 8:

Banks—	Ask.	Bid.					Range 1917 to Mar. 8.	
Commerce	187	185½	188	186½	186½	51	187	184½
Dominion	211	210	211	210	211	38	212½	210
Imperial	...	197	198	198	198	47	200½	196
Merchants	170	...	170	170	170	8	170	167½
Molsons	...	179½	180	180	180	11	181	179½
Montreal	228	...	226	226	226	49	234	225
Ottawa	202	...	202	202	202	1	200	200
Royal	...	213	213	213	213	37	214	211
Standard	211	210	211	211	211	79	215	211½
Toronto	192	190	192	190	190	20	213	190
Union	139	138	139	138	139	22	140	137
Transportation—								
Barcelona	12½	12⅛	12⅜	12	12⅝	77	17	11⅝
Brazilian Traction	43¼	43	43⅞	43	43½	1,370	47¾	43
Canada Steam., com.	36½	36	36⅛	34½	35½	1,988	38	29¾
Do., pref.	84	83¾	85	83½	84	1,276	93¾	84
Canadian Pacific	155	152½	156	152½	152½	50	162¼	149½
Detroit United	115¾	114½	115	114	115	1,360	...	...
Civic Invest. Pr.	82	81¾	82	81¾	81¾	991	82¾	78
Duluth-Superior, com.	51	50	50⅛	50	50	174	51	43
Illinois Trac., pref.	...	88	88	87	88	16	89	87½
Porto Rico, com.	40	36	38	38	38	25	42	35
Quebec Ry., L., Heat	25½	25	28¼	25	25	820	35½	21
Toronto Ry.	90	88	90	85½	89½	459	87	81
Twin City, com.	94	93½	93¾	93¾	93¾	5	95	93
Winnipeg Electric	74½	...	80	74	80	150	81	78
Telegraph, Light and Power—								
Bell Telephone	148	...	148	147	148	63	150	144
Consumers Gas	...	165	165	164½	165	279	165¼	164½
Mackay, com.	89½	89	89¾	88½	89½	991	90	83½
Do., pref.	66½	66	67	66½	66½	528	68	65
Ottawa Light, Heat	...	90	90	90	90	10	92	92
Shaw. Water & Power	127	125½	126	126	126	5	130½	123½
Industrials—								
Ames, Holden, com.	20	19	20	17	19	375	23¾	16
Do., pref.	60	...	60	55	59	156	61	48
F. N. Burt, com.	85	82	85	85	85	10	85	78
Do., pref.	94	...	93½	92	92	21	92¼	89
Canada Bread, com.	17	16	16⅛	16	16	305	17	16
Do., pref.	86½	85	85½	85	85	25	86½	85½
Can. Cement, com.	63½	63¼	64½	60½	63¼	2,159	69⅞	56
Do., pref.	93½	92	93	92	92½	184	95¾	90
Can. Car, com.	31	...	31¾	28	30	1,091	46½	25¼
Do., pref.	73¾	72½	75	73	73	850	89	59
Can. Converters	...	41	41	40½	41	50	40	39
Can. Cottons, com.	...	53	53	53	53	60	56	51
Do., pref.	...	79	79	78	79	60	82	78
Can. Loco., com.	...	57	57	56	56	275	58	52½
Do., pref.	90	89	89	88	89	21	90	84
Can. Gen. Elec., com.	112	111	111½	109	111½	473	115½	108½
Dom. Bridge, com.	...	140	140	139	239	415	170	130
Dom. Canners, com.	25	...	26	22	26	155	23	19
Do., pref.	78	75	78	63	75⅛	603	68	65
Dom. Iron, Steel, pref.	...	95	95	93½	94	30	95	91
Dom. Steel Corp.	66⅝	66⅜	68	62	66½	12,647	71¼	52¾
Dom. Textile, com.	82	80	81	80½	81	105	82	76½
Do., pref.	...	103	103	103	103	6	104	100
Lake of the Woods	...	126	126	126	126	15	130	125
Lyall Cons.	70	69½	72½	64	68	429	69	65
Laurentide	184	181	182	180	182	111	195	176
A. Macdonald, com.	14¼	14	14¾	14	14¼	285	14½	8
Maple Leaf, com.	107½	106	108¾	100	107	1,951	103	90
Do., pref.	95½	94½	95	95	95	101	103	92½
Mon. Cottons, com.	...	52	52	52	52	10	58½	50
Do., pref.	...	103	103	103	103	35	103	102
Mon. Knitting, com.	...	40	40	40	40	125	40	35
Do., pref.	...	80	80	80	80	5	81	80
N. S. Steel, com.	102	101	106	106½	101	2,705	128	91
Ogilvie Flour, com.	...	140	140	140	140	125	142	137
Do., pref.	...	112	112	112	112	1	115	111
Pacific-Burt, pref.	...	80	80	80	80	4	81	80
Penmans, com.	70	69	70	69¾	70	190	71	69½
Do., pref.	...	82	82	81¾	81¾	10	85	81½
Price Bros.	...	120	120	120	120	40	120	120
Riordon Pulp, com.	118	115	118½	117	118	226	127	106
Wm. A. Rogers, com.	74	...	75	74	74	27	80	74
Russell Motor, com.	87	82	87	82	87	252	92	70
Do., pref.	115	110	116	110	114	264	115	100
Sher.-Williams, com.	...	59	59	59	59	1	59	56
Smart-Woods, com.	...	50	50	50	50	50	55	50
Span. River P., com.	...	18	18	16	18	440	19	13
Do., pref.	57	53	55	52	55	87	59¼	51⅝
Steel Co. of Can., com.	67⅜	67⅜	69¼	60½	67½	20,740	71½	52
Do., pref.	97	96½	97	94½	97	812	100½	93¼
Toronto Paper	...	80	82	78	82	35	74	72
Tucket Tobacco, pref.	81½	79	80	80	80	3	83½	81½
Wayagamack	...	81	81	80½	80½	110	95	82

REVIEW OF MARKET FOR MINING SHARES

Name.	Capital Authorized	Capital Issued	Week ending March 8 High	Low	Sales	Close March 8 Asked	Bid
COBALT STOCKS—							
Adanac	$ 2,500,000	$2,250,000	.30	.28½	1,700	.30	.28
Bailey	5,000,000	4,250,000	.06½	.06	7,000	.06½	.06¼
Beaver Cons.	2,000,000	2,000,000	.45	.43½	9,300	.44	.43
Buffalo Mines	1,000,000	1,000,000	...	...	....	...	...
Cham.-Ferland	2,500,000	2,312,850	.15	.13½	2,400	.13½	.12
Coniagas	4,000,000	4,000,000	4.25	4.00	315	...	...
Crown Reserve	2,000,000	1,999,957	.37	.34	2,635	...	.36
Foster	1,000,000	915,588	...	...	....	...	...
Gifford	250,000	....	.04¾	.04¼	4,200	.04¼	.04
Great Northern	1,500,000	1,500,000	.16	.13	57,700	.16	.15½
Hargraves	2,500,000	2,500,000	.20¼	.18¼	117,550	.20¼	.20
Hudson Bay	25,000	7,761	...	...	....	...	...
Kerr Lake	3,000,000	3,000,000	4.70	4.70	25	4.70	4.45
La Rose	7,500,000	7,493,135	...	...	....	...	...
McKin.-Dar.-Sav.	2,000,000	2,247,692	.55	.53	3,400	.54½	.53
Nipissing	6,000,000	6,000,000	8.20	7.80	167	8.25	8.00
Ophir	685,000	....	.09¾	.09¾	1,000	.10	.09½
Peterson Lake	3,000,000	2,401,820	.14	.11¾	37,250	.13½	.13
Right of Way	2,000,000	1,685,500	.05	.05	2,100	.06	.05¼
Seneca-Superior	500,000	478,884	...	...	....	...	...
Temiskaming	2,500,000	2,500,000	.58	.54	18,940	.57½	.57
Trethewey	2,000,000	1,000,000	.16	.16	2,200	.17	.15
Wettlaufer	1,500,000	1,416,590	.08½	.08	4,000	.08½	...
PORCUPINE STOCKS—							
Apex	2,000,000	1,300,009	.09½	.08½	57,200	.09½	.09⅝
Dome Cons.	2,500,000	1,250,000	...	...	....	...	...
Dome Extension	3,000,000	2,200,000	.28½	.28	28,400	.28½	.28
Dome Lake	2,000,000	1,227,017	.25	.20	21,600	.23	.22
Dome Mines	5,000,000	4,000,000	20.00	19.50	130	20.00	19.00
Foley-O'Brien	3,000,000	2,500,000	...	...	....	...	...
Hollinger	3,000,000	3,000,000	5.40	5.20	2,540	5.30	5.25
Jupiter	2,000,000	1,867,786	.31	.31	100	.31	.30
McIntyre	3,000,000	2,999,995	1.84	1.78	32,887	1.85	1.84
McIntyre Extension	2,500,000	2,000,000	...	...	....	...	...
Porcupine Crown	2,000,000	2,000,000	.68	.66	7,100	.67	.66
Porcupine Imperial	2,000,000	1,409,200	.04	.03¼	6,400	.04	.02⅞
Vipond	1,500,000	900,000	.45	.43	14,688	.45	.43½
Preston E. Dome	3,000,000	2,000,000	.05¼	.05	8,300	.05½	.05
Schumacher	2,000,000	....	.65	.60	5,300	.61	.60
Teck-Hughes	2,000,000	2,000,000	.75	.73½	8,900	.76	.75
West Dome Con.	3,000,000	2,000,100	.28¾	.27½	29,898	.28¼	.27¾
MISCELLANEOUS—							
Con. Min. & Smelt.	10,000,000	8,427,500	.33¾	.31¼	2,253	.33	.32½

Sawyer-Massey.

There has been a gradual improvement in the affairs of the Sawyer-Massey Company whose business was so hard hit by the depression in Western Canada Stocks have been pretty well cleared up and during the past year there has been much improvement as regards collections owing to the fact that the farmers have been prosperous with such high prices prevailing. The outlook would appear to be that business will continue to improve. The farming communities are prosperous and, with a continuation of high prices, every effort should be made to increase development. Under these circumstances, and with labor at a premium there should be an increasing demand for modern agricultural implements on the farm. The securities of the company have been a dead issue on the market for some months, and there have been no quotations to indicate traders' opinion.

St. Lawrence Sugar

Conditions are very unsettled in the sugar refining business just now. The trouble, said a prominent official of the St. Lawrence Sugar Refining Company, to the FINANCIAL POST. is that the productive capacity of the Canadian refineries is greatly in excess of the consuming demand. "The sugar needs of the Canadian people could be adequately taken care of if the refineries only operated half time," he said. The 7 per cent. dividend on the company's preferred stock is payable quarterly, but there is little prospect of any dividend being paid on the common this year. The initial payment on the common was made in June, 1913, when 5 per cent. was paid.

Imperial Tobacco.

Regarding the proposed distribution of shares of the Imperial Tobacco Company, of Canada, to the stockholders of the British American Tobacco Company, of which it is a subsidiary, the British American Company has sent out a circular stating that the bonus will be one ordinary share of $5 of the Canadian company in respect of every four ordinary shares of the British company. Following is the notice sent out:—

"Regarding the proposed distribution of ordinary shares of the Imperial Tobacco Co., of Canada, Ltd., you will remember that in their annual report the directors said that the earnings justified a larger dividend, but rather than pay the whole amount in cash the directors with a view of conserving the liquid resources, recommended out of the holdings of the company of the ordinary shares of the Imperial Tobacco Co. of Canada, Ltd., a bonus distribution of one ordinary share of $5 of the Canadian Co. in respect of every four ordinary shares of the British American Co.

"In consequence, however, of a difficulty which subsequently arose, the proposal was withdrawn at the annual meeting —pending submission of proposed new articles of association for consideration at meetings to be called. Preparation of the new articles was being proceeded with when on the 24th ulto., an Order-in-Council was issued which had the effect of preventing the distribution of any shares of a company incorporated abroad, as the Imperial Tobacco Co. of Canada is, to any shareholders outside the United Kingdom, or the sending of any certificates or transfers of any shares outside the country.

"Before taking any further steps to amend the Articles of Association as indicated at the annual meeting, the directors, therefore, thought it well to approach the Treasury on the question of the distribution and to ask whether permission would be granted, and a reply has been received saying that the distribution would not be permissible withou the consent of the Lords Commissioners of His Majesty's Treasury, and that they are not, at the present moment, in a position to say whether the shares in question are likely to be required by them under the Defence of the Realm Securities Regulations, and they fear, therefore, that they would not be justified in giving the licenses necessary to enable the company to effect the proposed distribution at the present time. Should the company, however, desire to make the distribution at a later date they will give the matter a renewed consideration if a further application is made to them, in say, three months' time.

"The directors, therefore, regret to say that they are at present unable to take any further steps with regard to the proposed distribution, and they would like to point out that as the Order-in-Council was issued on the 24th ulto., and the bonus distribution would not in any event have been until the 31st ulto., it could not have taken place even if it had been approved at the annual meeting without the consent of the Treasury."

AMENDMENTS IN BULK SALES ACT

Important Changes in Legislature Which Affects Affairs of Creditors.

Several amendments have been incorporated into the Bulk Sales Act, which will come up in a few days for consideration in the Ontario Legislature. The purpose of this Act is to safeguard the interests of creditors against unscrupulous merchants and others, who might sell out their stock in bulk, pocket the proceeds, and snap their fingers at their creditors.

A somewhat similar bill has been introduced for several years in succession by Hon. W. D. McPherson, and rejected by the members, but the bill drawn up this year has the support of the Credit Men's Association, the Canadian Manufacturers' Association, the Canadian Bar, and the Retail Merchnts' Association.

Among the changes introduced, as explained to FINANCIAL POST by the father of the bill, V. A. Sinclair, M.P.P., for South Oxford, are the following:

Instead of the debtor being compelled to present a statement of creditors to the extent of $50 and over, he must include all those under $50 as well.

Boarding house keepers come under the Act.

A trustee for the creditors may be appointed by a county judge in case the debtor fails to do so within a month.

Mr. Sinclair believes that the present bill is certain to be adopted during the coming season.

IDLE CARS AND SHORTAGE.

Former Cost Railways Ten Times More Than Latter.

That the railroads have lost twelve times as much in gross earnings during the last ten years through lack of freight to keep their cars busy, as they have through shortage of cars to load freight offered, is the gist of an exhaustive inquiry into the subject of the American Railway Association.

Lost earning capacity of the cars idle during that period is estimated at $1,057,957,977, whereas the earnings lost because the railroads did not have the cars to furnish shippers is placed at $78,858,290. The calculation was made by taking the number of idle "car days," that is, the aggregate of the days each car was idle, and multiplying it by $2.50, the minimum average daily earnings of all cars. Similarly, the number of car shortage days was multiplied by the same unit of earnings.

Total number of car days, all cars, for the entire period of ten years, was close to 8,000,000,000. The number of idle car days was more than 423,000,000, indicating that on the average the whole freight car equipment of the country was idle 5 per cent. of the time throughout the period.

The purpose of the calculation is to show the burden of idle investment which the railroads are compelled to support in order to render the service they do in times of heavy traffic. While the demand is frequently voiced that the railroads keep on hand enough cars to meet the requirements of shippers promptly, even in times of the heaviest traffic movement, these figures indicate that the car equipment is already in excess of the average requirements of the country, while it is very much in excess of those requirements in other than "boom" times.

The American Railway Association further points out that it takes locomotives, tracks, yards and shops to make freight cars useful, and that when the latter are idle the same proportion of the former are earning nothing upon their cost. The figures as to loss of earnings, of course, do not represent actual out-of-pocket loss, but the amount of gross business which the missing cars or the idle cars might have handled.

Railroad men as a rule refuse to admit that there is an actual car shortage, properly speaking. On this point Vice-president Atterbury, of the Pennsylvania Railroad, gave some interesting testimony before the Interstate Commerce Commission in its recent investigation of the car supply situation. He said that between October, 1914, and the end of 1916 a certain railroad had increased its yard facilities in Philadelphia from a capacity of 3,800 cars to one of 7,000 cars, while the number of cars unloaded monthly in the same district increased only from 1,400 to 1,800. The effect of the enlargement of yards was to clear the running tracks, but only to a relatively small extent to increase unloading and release of cars for their proper use.

COL. BRUCE FILES REPLY TO THE BAPTIE REPORT.

Continued from page 1.

The Baptie report glossed over many of the salient facts contained in Col. Bruce's original report, only a summary of which has so far been published. The full report contains, it is understood, many more facts than were allowed to be published in the cabled summary. The second report of Col. Bruce, which he has now presented to the Minister of Militia, backs up every one of his previous findings and recommendations, and points in no uncertain language to the play of "pull and politics" under the present Overseas Minister of Militia.

Rumor has it that so great was the desire of Sir George Perley to prevent a full and frank statement of the situation from being made public in Canada that steps were actually taken with a view to preventing Col. Bruce from returning to Canada at all. It was only after some difficulty that his passports to return were secured and he was allowed to board ship for Canada. When the full facts are disclosed there will probably be some decidedly interesting developments.

Col. Bruce is now an official of the War Office, from which he received his appointment direct. As a member of the inspectoral branch of British medical services he will be associated with Sir Frederick Treves and others of Great Britain's most prominent physicians and surgeons.

MONEY MAKES MONEY

Don't keep that few hundred dollars on "check" in an account earning no interest, or only a paltry 3%.

Invest it in a 5% Debenture of the Standard Reliance Mortgage Corporation.

Thousands of farmers and townspeople are holders of our Debentures.

And never a cent of their money has been lost

A $1000 Debenture at 5% for five years pays $280 in interest, or 28% gain. It is one of the safest, if not the safest, investment. The debentures are issued in sums of $100 and upwards. Interest is payable in cash at your local bank.

Wouldn't you like to invest your money to earn equal profits? Alright then—write for our booklet about Profits and Savings. It tells you how to get 5% for your savings instead of 3%.

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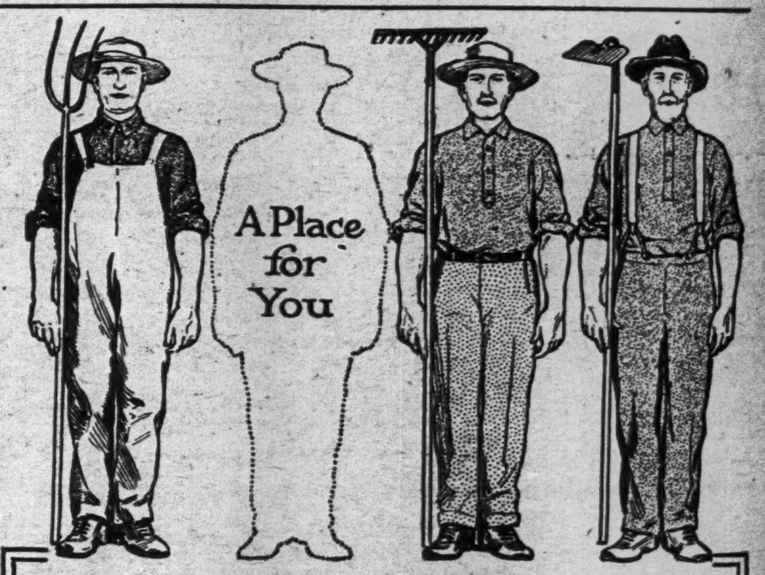

Recruits Wanted for Production

Just as surely as lack of food is strangling Germany day by day, so plenty of food is winning the victory for the allies. The French armies, for instance, were never better fed than now, for France cannot forget the awful lesson of 1870—the failure of her food supply. To this she attributed the loss of that war.

To feed the French soldiers around Verdun, more than 25,500,000 pounds of food a week were required. This gives a faint idea of the colossal task of feeding an army. Canada and Britain have a huge army of fighting heroes on the line; every man MUST have plenty of food, in spite of a world shortage. Upon Canada's food production all principally rely.

The Farmers of Ontario Urgently Need Help

The Department of Agriculture appeals to men and boys to enlist in the farm help campaign. The Department appeals to men unfit for military service, or who find it impossible to enlist in the army. Do your "bit" by helping to increase production of foodstuffs. This is your hour of opportunity.

The farmers of Ontario need the help of retired farmers, of men following no occupation (retired), of business men who can spare a portion of their time. We appeal to all who can so arrange their ordinary affairs to plan to help some farmer friend, particularly in seed time and harvest.

Confer with your county District Representative of the Department of Agriculture, or write, "Farm Help Campaign," care Department of Agriculture, Toronto.

Ontario Department of Agriculture
W. H. Hearst, Minister of Agriculture
Parliament Buildings Toronto

30

The World is Watching Canada's War Loan

Will it win the War? It may. Often the last levy of men or the last loan wins the Victory—Let it be so with Canada's New War Loan. It is a chance for every citizen and every corporation to help.

We are receiving Subscriptions and will be pleased to send prospectus and application forms on request, and will attend to all details free of charge.

JOHN STARK & CO.
ESTABLISHED 1870
504 & 505 Royal Bank Building
TORONTO - - - - CANADA

Forty-Fifth Annual Meeting

OF THE SHAREHOLDERS OF

The Hamilton Provident and Loan Society

The Forty-fifth Annual Meeting of the Shareholders of the Society was held at the Society's Head Office at noon yesterday.

Among those present were the following:—George Hope, W. A. Wood, H. W. Clarkson, W. A. Robinson, Alfred T. Read, F. H. Lamb, J. J. Greene, Lieut.-Col. Wm. Hendrie, Wm. Dixon, G. E. F. Smith, E. G. Payne, W. J. Aitchison, George Sweet, Dr. O'Reilly, J. McCoy, R. Butler, T. H. Crerar, John Hooper, J. A. Brown, Stanley Mills, D. M. Cameron, W. A. Stewart.

The President, George Hope, in the Chair.

D. M. Cameron, Treasurer, acted as Secretary.

The Secretary read the Report and Annual Statement as follows:—

The Directors beg to submit to the Shareholders their Forty-fifth Annual Report, with accompanying Financial Statement, duly audited, showing the result of the business for the past year.

After deducting interest on borrowed capital, expenses of management, sundry contributions to Patriotic Funds, and all other charges, the net profits amount to $179,655.06.

This amount has been appropriated as follows:

Two half-yearly Dividends at the rate of eight per cent. per annum on the Capital Stock	$ 96,000.00	
Government and Business Tax	3,081.42	
Special War Tax	3,543.74	$102,625.16
Added to Reserve Fund	$ 75,000.00	
Credited to Contingent Fund	2,029.90	77,029.90
		$179,655.06

The Reserve Fund now amounts to $1,060,000.00, and the Contingent Fund stands at $31,062.50.

Repayments by Mortgagors during the year have been quite satisfactory.

The high rate of interest current in Great Britain, in consequence of the war, necessitated our retiring during the year a considerable sum of our maturing Sterling Debentures.

The Directors record with deep regret the death of two members of the Board, viz.: Mr. George Rutherford, President, and Mr. John T. Glassco, Vice-President. Both were men of exceptional ability and rendered the Society most valuable service during their long term of office. The Directors wish to express their sense of the great loss the Society has sustained in their death.

At a meeting of the Board held on December 19th, Mr. George Hope was elected President, and Mr. J. J. Green, Vice-President. The vacancies on the Board have been filled by the appointment of Mr. Stanley Mills and Lt.-Col. Wm. Hendrie as Directors.

The Directors wish to acknowledge the valuable services rendered during the year by Messrs. Gillespie & Paterson, W.S., Edinburgh, the Society's Agents in Great Britain.

GEORGE HOPE, President.

All of which is respectfully submitted,

Financial Statement for the Year Ending 31st December, 1916.

ASSETS AND LIABILITIES.

LIABILITIES TO STOCKHOLDERS.		
Share Capital paid up		$1,200,000 00
Reserve Fund		1,060,000 00
Contingent Fund		31,062 50
Dividend (payable 2nd January, 1917)		48,000 00
		$2,339,062 50
LIABILITIES TO THE PUBLIC.		
Savings Deposits	$895,309 47	
Sterling Debentures	607,894 59	
Currency Debentures	420,537 30	
Debenture Stock	372,786 66	
Interest on Debentures	16,373 09	
Sundry Accounts	10,917.39	$2,323,818 50
		$4,662,881 00

ASSETS.		
Net value of Mortgages		$4,117,749 05
Paid Loans on Stocks	$ 12,794 60	
Dominion, Provincial and Municipal Debentures owned	231,475 15	
Cash on hand and in Banks	207,862 20	452,131 95
Office premises in Hamilton and Brandon		93,000 00
		$4,662,881 00

PROFIT AND LOSS.

To Dividends Nos. 90 and 91	$ 96,000 00		By Interest Earned, Rents, etc.	$322,822 09
To Government and Business Tax	3,081 42			
To War Tax	3,543 74	$102,625 16		
To Interest and Expense on Deposits, Debentures and Debenture Stock		104,193 53		
To General Expenses, including Cost of Management, Salaries, Directors' and Auditors' Fees, also Subscriptions to Patriotic and Red Cross Funds	$ 29,690 61			
To Commission on Loans	3,906 12			
To Inspection of Land	5,376 77	38,973 50		
To Reserve Fund	75,000 00			
To Contingent Fund	2,029 90	77,029 90		
		$322,822 09		$322,822 09

D. M. CAMERON,
Treasurer.

January 24th, 1917.

We hereby certify that we have audited the books and examined the Accounts and Securities of the Hamilton Provident and Loan Society for the year ending 31st December, 1916 (except such as are covered by the Certificate of the Auditors at Brandon), comprising a monthly audit and the verifications and posting of the Society's Books, and have found them correct and in accordance with the above statements.

RALPH E. YOUNG, } Auditors
G. E. F. SMITH, }
Chartered Accountants.

Hamilton, January 24th, 1917.

We hereby certify that we have audited the books and examined the Accounts and Securities of the Hamilton Provident and Loan Society, for the year ending December 31st, 1916, as kept in their Brandon office, comprising a weekly audit and the verifications and posting of the Society's books, and have found them correct.

CHERRY, MACDONNELL & CO., Auditors, Chartered Accountants.

Brandon, Man., January 13th, 1917.

On motion of the President, seconded by the Vice-President, the Report was adopted.

The following gentlemen were re-elected Directors:—George Hope, Joseph J. Greene, Henry L. Roberts, W. A. Wood, Stanley Mills, William Hendrie.

At a meeting of the Directors held after the Annual Meeting, George Hope was re-elected President, and Joseph J. Greene, Vice-President.

SHIP BUILDING OPPORTUNITY FOR CANADA

Continued from page 1.

to 200,000 tons, at a cost of about $30,000,000.

3. That the merchant ships under construction or under contract for construction in the United States on January 1, 1917, numbered over 400, with a total tonnage exceeding 1,500,000, and that about one-half of this shipping was for foreign account, and included nearly every nationality.
4. That the imperative demand of the American Government upon American yards for the prompt building of over 500,000 tons of war shipping will largely curtail their capacity for merchant shipping for the next three years.
5. That since the beginning of the present war new corporations organized for actual shipbuilding operations in the United States have been formed with a total capital of $150,000,000.
6. That as against the selling price of $40.00 to $50.00 per dead weight ton for tramp freighters prevailing before the war, present contracts can be had at $150.00 per ton, and this for delivery sometime in the future.

These facts seem to establish the permanent and prosperous character of this industry in the adjoining country and the next question to be answered is—Why not in Canada? There are these chief difficulties in meeting American competition in Canada:—

First, steel plates for hulls and boilers are not yet produced in Canada;

Second, steel shapes for the frames of ships and which are different in section from structural shapes for bridges and buildings are not now rolled in Canada;

Third, the organizing and training up of an operating force to successfully establish such an industry requires much time and involves a large and discouraging outlay.

A National undertaking

The importance to the welfare of a country having thousands of miles of coasts on the two greatest oceans, and whose chief products can only find a market through transport by ocean going ships, justifies the public interest in seeing the industry of shipbuilding established within its own boundaries, and the granting of public aid to help overcome the initial difficulties in the establishment.

What form of public aid would induce the establishment of this industry on a large scale, and at the lowest public cost, is open to debate. Other Governments have been alive to the necessity of creating a mercantile marine under their own flags, and various forms of public aid have been adopted.

France pays a bonus per ton upon every mile sailed by a French ship engaged in foreign trade; this has worked out to be more profitable for sailing ships on long voyages than for steam tramps, hence few of the latter under the tricolor are seen in international trade; but express steamers are given liberal mail subsidies, so excellent French passenger liners are found on all the principal ocean routes.

Germany has fostered a slow steaming combined passenger and freight liner, which by mail subsidies and export bonuses had, before the war, begun to displace the British lines to the Orient and even to some of the principal British colonies.

England has, until the present, kept chief control of the international steam tramp trade by reason of the production within her own islands on a large scale, and consequently at a low cost, of all the elements making up a freight ship; by the training of a large population of shipbuilding labor, working at low wages, and by her world wide control of materials and products requiring ocean transport.

The exigencies arising from the war have now given this industry a promising start in the United States, and it would be a reasonable measure on the part of the Canadian Government to place Canadian shipbuilding, by public aid, on a par with the American builders, in some such manner as has resulted in the successful establishment of the important works producing the principal forms of iron and steel.

Aiding Production.

The Canadian rolling mills could be induced to add plate mills to their plants and to supply ship-shapes rolls to their present rolling mills, by a per ton bonus for a period of years. Shipbuilders could be granted a bonus per ton, either registered or deadweight, on all ships launched from Canadian yards. Canadian shipbuilders should be allowed to use improved materials, but a substantial tariff upon all imported materials, whether now produced in Canada or not, should be imposed for the benefit of existing manufacturers and to induce new lines of manufacture.

Such a system, in full effect for a first period of five years, and progressively diminishing for a second period of five years to a final termination of all bounties, ought to bring to Canada all the capital, shipping experience, and technical skill necessary to establish this industry upon a sound and permanent basis.

Of course, the present exorbitant and unreasonable prices for ships cannot continue long after the war; some of the American works now possess every form of material, from the iron ore and coal through all the manufacturing processes to the finished ship, and except, for the increase in labor costs, such a plant can produce a ship selling to-day at $150.00 per deadweight ton, as cheaply as before the war at $50.00 per ton. These profits are more than unhealthy, they are too preposterous to continue. I do not suggest that the industry should be started in Canada with any such expectations, but I am satisfied that with a reasonable amount of public aid to assist the first enterprises over their initial difficulties and disadvantages, they would, before the termination of the bonus period, proposed, become firmly established as great and successful public undertakings; just as have the great steel industries of Canada, brought into being under a somewhat similar form of public aid.

LARGER COAL ORDERS.

Conservation Commission Suggests Remedy for Fuel Shorage.

The Commission of Conservation suggests a solution of the coal shortage problem. In a bulletin recently issued, they advise that in the future people should buy in larger quantities. They suggest that at least six months' supply should be stored. This will be very comforting advice for the people who find it difficult to buy one ton of coal at a time. However, the advice is timely for those who are in a position to follow it. The bulletin says:—

> This winter we have had a coal "famine" and that suffering has accompanied the shortage of this necessity is undeniable. The average citizen has a notoriously short memory, but now is the time to impress upon him that, in many cases, the suffering was due to lack of foresight. In Canada many people buy in small quantities—often only one ton. If, for any cause, there is a shortage of coal, improvident householders demand that the coal dealers do the impossible, namely, that they supply fuel that is unobtainable. Whereas, had they purchased their coal in the summer or autumn, there would be ample supplies available.
>
> While some large consumers, such as manufacturers, cannot store a six months' supply, most householders can, with their present bins or with enlarged bins, store coal to meet their requirements till March or April.
>
> In recent years, we have had two coal "famines", first in 1901-02, the year of the coal miners' strike, and, second, this year, when the severity of the weather and the extraordinary prosperity in the United States caused an unprecedented congestion of freight. A survey of conditions in the United States demonstrates that in the future there will be more coal "famines" than in the past and that they will occur at shorter intervals. For this there is only one remedy.

UNLISTED STOCKS.

Furnished by A. J. Pattison, Jr., & Co., Toronto, March 7, 1917:

Quotations—	Bid.	Ask.
Abitibi Power, com.	68.00	71.00
Do., pref.	88.00	.....
Arena Bonds (Toronto)	....	97.00
Atlantic Sugar, com.	12.00	20.00
Belding, Paul, pref.	73.00	81.00
Do., bonds	80.00	95.00
Canadian Furniture, pref.	.....	44.00
Canadian Machinery 6's	70.00	82.00
Do., pref.	40.00	.....
Canadian Marconi	1.50	2.50
Canadian Mortgage	92 00	100.00
Canadian Oil, com.	37.50	42.00
Do., pref.	75.00	.....
Canadian Westinghouse	130.00	128.00
Continental Life	20.00	25.00
Crown Life	80.00	.....
Dom. Pwr. & Trans., com.	61.00	65.00
Do., pref.	95.00	99.00
Dominion Mfg., pref.	39.00	46.00
Dom. Perm. Loan	69.00	73 00
Dunlop Tire, pref.	92.00	97.00
Frontenac Brew., 6% bds.	.....	83.00
Home Bank	64.00	.....
International Milling, pref.	88.00	94.00
Imperial Oil	325.00	395.00
Loews Theatre, com.	70.00	82.00
Do., pref.	81.00	90.00
London Loan & Savings	95.00	114.00
McDonald, com.	.....	15.00
Morrow Screw, 6% bonds	88.00	.....
People's Loan & Savings	85.00	90.00
Prudential Trust	.....	72.00
Ruddy, E. L., pref.	.....	88.00
Stand. Rel. Loan (par $50)	45.00	50.00
Steel & Radiation, com.	.....	30.00
Do., pref.	.....	65.00
Sovereign Life	.....	25.00
Trusts & Guarantee	86.00	90.00
Tough Oaks	2.40	2.75
Ford Motor	.....	350.00
Ontario Pulp, bonds	84.00	.....
Volcano Oil	115.00	.....
Dom. Glass, pref.	81.00	.....
Eastern Car, pref.	71.00	.....
Do., 6% bonds	95.00	.....
Northern Elec. 6% bonds	90.00	100.00
Russian Govt. 5½% bonds	27.50	28.50
Anglo-French, 5%	92.00	93.00
Belding, Paul, com.	10.00	17.00
Carter-Crume, com.	12.00	.....
Carter-Crume, pref.	.....	85.00
Dom. Linen, pf., 20% bonus	.....	100.00
Imperial Steel, com.	.....	1.50
Do., pref.	1.75	4.00
McDonald, pref.	.....	79.00
Metal Shingle & Sid., pref.	.....	65.00
Toronto Paper, 6% bds.	82.00	.....
United Cigar Stores	1.00	1.25
Chapman Ball Bearings	25.00	50.00
Canada Paper, pref.	85.00	95.00
Cockshutt Plow	.....	68.00
Linderman Steel	3.10	.....
Universal Steel, com	.....	41.00
Atlantic Sugar, pref.	42.00	52.00
Wabassa Cotton, com.	29.00	33.00
Intercolonial Coal, com.	35.00	43.00
National Brick, bonds	8.00	12.00
Amer. Nat. Gas	.....	1.10

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We solicit subscriptions to the new Dominion War Loan about to be issued, and offer our services free of charge to all subscribers.

Prospectus with terms and price supplied on application.
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DIVIDENDS DECLARED

The Bank of Nova Scotia

DIVIDEND NO. 189.

NOTICE is hereby given that a Dividend at the rate of Fourteen per cent. per annum on the paid-up Capital Stock of this Bank has been declared for the quarter ending March 31st, and that the same will be payable on and after Monday, the 2nd day of April next, at any of the offices of the Bank.

The Stock Transfer Book will be closed from the 17th to the 31st proximo, inclusive.

By order of the Board,
H. A. RICHARDSON,
General Manager.
Halifax, N.S., February 16th, 1917.

Penmans, Limited

DIVIDEND NOTICE.

NOTICE is hereby given that a Dividend of one and one-half per cent. has been declared on the Preferred Shares of the Capital Stock of this Company, for the quarter ending April 30th, 1917, payable May 1st, 1917, to shareholders of record of April 21st, 1917, also a Dividend of one per cent. on the Common Shares for the quarter ending April 30th, 1917, payable May 15th, 1917, to shareholders of record of May 5th, 1917.

By Order of the Board,
C. B. ROBINSON,
Secretary-Treasurer.
Montreal, March 5, 1917.

Provincial Paper Mills Company, Limited

NOTICE is hereby given that dividends of one and three-quarters (1¾%) per cent, on Preferred Stock, and one (1%) per cent. on Common Stock of this Company, have been declared for the current quarter, both payable April 2nd, 1917, to shareholders of record at the close of business, March 15th, 1917.

By Order of the Board,
S. F. DUNCAN,
Secretary-Treasurer.
Dated, Toronto, March 5th, 1917.

Dominion Textile Co. Limited

NOTICE OF DIVIDEND.

A DIVIDEND of one and three-quarter per cent. (1¾%) on the Preferred Stock of the DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 31st March, 1917, payable April 16th, 1917, to shareholders of record 31st March, 1917.

By order of the Board,
JAS. H. WEBB,
Secretary-Treasurer.
Montreal, 27th February, 1917.

Canadian General Electric Company, Limited

Common Stock Dividend No. 71.

NOTICE is hereby given that a quarterly Dividend of 2% for the three months ending the thirty-first day of March, 1917, being at the rate of 8% per annum, has been declared on the Common Stock of the Company.

Preference Stock Dividend No. 42.

Notice is also given that a half-yearly Dividend of 3½% for the six months ending the thirty-first day of March, 1917, being at the rate of 7% per annum, has been declared on the Preference Stock of the Company.

The above Dividends are payable on the second day of April, 1917, to Shareholders of record at the close of business on the fifteenth day of March, 1917.

By order of the Board,
J. J. ASHWORTH,
Secretary.
Toronto, March 6th, 1917.

The Riordon Pulp and Paper Co., Limited

PREFERRED STOCK DIVIDEND NO. 19

NOTICE is hereby given that a Dividend of 1¾% (being at the rate of 7% per annum), on the Preferred Stock of this Company, has been declared payable March 31st, 1917, to shareholders of record at the close of business, March 19th, 1917.

By order of the Board,
CHAS. E. READ, Secretary.
Montreal, March 6th, 1917.

The Montreal City and District Savings Bank

NOTICE is hereby given that a Dividend of Two Dollars per Share on the Capital Stock of this Institution has been declared, and will be payable at its Head Office, in this City, on and after Monday, the 2nd of April next, to Shareholders of record on the 15th day of March next, at 3 o'clock p.m.

By order of the Board,
A. P. LESPERANCE,
Manager.
Montreal, 24th Feb., 1917.

Dominion Textile Company, Limited

NOTICE OF DIVIDEND.

A DIVIDEND of one and one-half per cent. (1½%) on the Common Stock of the DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 31st March, 1917, payable April 2nd, 1917, to shareholders of record March 15th, 1917.

By order of the Board,
JAS. H. WEBB,
Secretary-Treasurer.
Montreal, 27th February, 1917.

The Sherwin-Williams Co. of Canada, Limited

NOTICE is hereby given that the Twenty-third Quarterly Dividend of One and Three-quarters per cent (1¾%), being at the rate of Seven per cent (7%) per annum, for quarter ending March 15th, 1917, upon the Preferred Stock of this Company, has been declared, payable to Shareholders of record the fifteenth day of March, 1917, and that cheques for the same will be duly mailed to them on the thirty-first day of March, 1917.

Books not closed.

By order of the Board,
J. H. GORDON,
Secretary-Treasurer.
Montreal, February 23rd, 1917.

THE CANADA LANDED AND NATIONAL INVESTMENT CO. LIMITED

DIVIDEND NO. 120.

NOTICE is hereby given that a Dividend of Two and One-Quarter Per Cent. (being at the rate of nine per cent. per annum), on the amount paid up on the Capital Stock of this Company, has been declared for the quarter-year to the thirty-first day of March, 1917, and that the same will be payable at the office of the Company, 23 Toronto street, Toronto, on and after the Second Day of April, 1917, to Shareholders of record at the close of business on the fifteenth day of March, 1917.

By order of the Board,
EDWARD SAUNDERS,
Managing Director.
Toronto, 28th February, 1917.

The Right of Way Mines, Limited

DIVIDEND NO. 11.

NOTICE is hereby given that a dividend of one-half of one per cent. on the Paid up Capital Stock of this Company has been declared and the same will be payable on March 17, 1917, on which date checks will be mailed to Shareholders of records on the Books of the Company on the Tenth of March, 1917. The transfer books will be closed from March 12th to March 17th, both days inclusive.

By Order of the Board,
E. A. LARMONTH,
Secretary-Treasurer.
Ottawa, Ont., March 1, 1917.

ANNUAL MEETING.

Canadian General Electric Company, Limited

ANNUAL GENERAL MEETING.

NOTICE is hereby given that the Annual General Meeting of the Shareholders of the Canadian General Electric Company, Limited, will be held at the Head Office of the Company, corner King and Simcoe Streets, Toronto, on Wednesday, March 21st, 1917, at 12.00 o'clock noon, for the purpose of receiving the Annual Report of the Directors, the election of Directors for the ensuing year, and for the transaction of any other business which may properly be brought before the meeting.

By order,
J. J. ASHWORTH,
Secretary.
Toronto, March 6th, 1917.

The Safe Investment of Small Sums

is to most people a difficult problem, and many have lost all their money through unwise investments.

If your funds are deposited in the Bank of Toronto Savings Department you will receive interest half-yearly on your balances, and will know that your money is safe.

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Assets $73,000,000

INCORPORATED 1855

THE BANK OF TORONTO

Head Office - - TORONTO, CANADA

Paid-Up Capital - $5,000,000 Reserve Funds - - $6,508,000

DIRECTORS.

W. G. Gooderham, President.

J. Henderson, Vice-President.

William Stone, John Macdonald, Lt.-Col. A. E. Gooderham, A. H. Campbell, Brig.-Gen. F. S. Meighen, J. L. Englehart, Wm. I. Gear, Paul J. Myler.

Thos. F. How, General Manager. John R. Lamb, Supt. of Branches.

T. A. Bird, Chief Inspector.

Bankers.—NEW YORK—National Bank of Commerce. CHICAGO—First National Bank. LONDON, ENG.—London City and Midland Bank, Limited.

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ORIGINAL CHARTER 1854

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Cor. Bloor West and Bathurst.
236 Broadview, Cor. Wilton Ave.
1871 Dundas St., Cor. High Park Ave.
Exhibition Camp, Exhibition Park.

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EST'D 1873

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This service is free to subscribers, but inquirers should enclose stamp reply.

Municipal Bond Sales for 1916

COMPILED, REVISED AND TABULATED FROM OFFICIAL REPORTS

¶ A list of original purchasers, price and income basis of the Municipal Bonds sold in 1916, showing purpose, amount, interest rate and maturity of each issue. The names of the borrowing States, Counties, Cities, etc., are arranged alphabetically by States.

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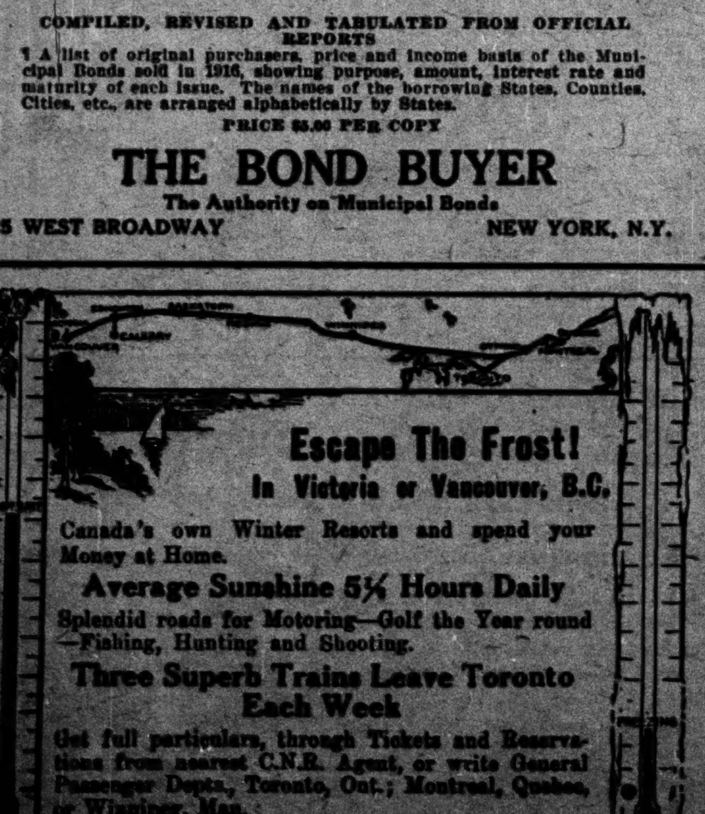

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Travel Canadian Northern All The Way

MONEY, BANKING AND EXCHANGE

Bank Clearings for the Dominion Show Substantial Gains—For the Year to Date the Gain is 21.7 per cent.

Bank clearing returns reported officially to THE FINANCIAL POST for the week ending Thursday last, showed a gain for the Dominion, as compared with the returns for the corresponding period in 1916, of 29.4 per cent. This increase compares favorably with the increase shown in the previous week when the figures were 15.0 per cent. In the East the gain was 31.6 per cent., all the cities showing a gain. In the West, the gain was 24.2 per cent., which is also a substantial improvement over the figures for previous week, when there was a decrease of 13.4 per cent. The cities in the East to show the largest gains were: Sherbrooke, 75.2; St. John 49.7; Peterboro, 49.5; Brantford, 45.5; Hamilton, 38.2; Montreal, 35.0; and Quebec, 29.6 per cent. In the West, Calgary showed a gain of 61.7; Regina, 61.6; Lethbridge, 53.0; Saskatoon, 50.0; New Westminster, 30.8, and Medicine Hat, 30.2 per cent. For the year to date the gain was 21.7 per cent. Following are comparative figures:

WEEKLY BANK CLEARINGS.

(In comparison with same week last year.)

Eastern Cities.

	Mar. 8, 1917.	Change.	%
Montreal	$ 78,530,499 +	$ 20,359,216	35.0
Toronto	53,220,675 +	11,128,343	26.5
Ottawa	5,287,511 +	1,096,562	26.1
Hamilton ...	4,389,649 +	1,212,825	38.2
Quebec	3,987,382 +	909,747	29.6
Halifax	2,336,608 +	409,320	21.3
London	2,391,379 +	503,328	26.7
St. John	2,322,222 +	746,398	49.7
Brantford ...	837,410 +	261,774	45.5
Peterboro ...	707,247 +	232,830	49.5
Sherbrooke ..	673,117 +	285,606	75.2
Total, East...	$154,692,694 +	$ 27,145,959	31.6
Kitchener ...	651,214		

Western Cities.

	Mar. 8, 1917.	Change.	%
Winnipeg ...	$ 37,761,116 +	$ 7,747,874	25.8
Vancouver ..	6,536,790 +	213,567	3.3
Calgary	5,328,492 +	2,030,793	61.7
Edmonton ...	2,469,402 +	314,186	14.6
Victoria	1,520,104 —	406,497	21.2
Regina	2,654,422 +	1,010,591	61.6
Saskatoon ...	1,459,519 +	485,317	50.0
Moose Jaw...	944,619 +	102,356	12.2
F. William...	502,839 +	84,484	20.2
Brandon	403,704 —	67,169	14.3
Lethbridge ..	610,811 +	211,537	53.0
N. Westm'ter.	267,867 +	62,990	30.8
Medicine Hat	436,115 +	101,108	30.2
Total, West..	$ 60,895,801 +	$ 11,891,137	24.2
Grand total..	$215,588,495 +	$ 40,037,096	29.4
Year to date	$2,067,846,371 +	$369,208,297	21.7

U.S. BANK CLEARINGS.

Bank clearings in the United States for the week ending March 1 aggregate $5,392,797,000, against $4,502,094,000 last week and $4,771,403,000 in this week last year, an increase of 13.2 per cent. Following are the returns for this week and last, with percentages of change shown this week as compared with this week last year:

(000's omitted)

	March 1	I. or D.	Feb. 22
New York	$3,054,273	I 5.3	$2,592,101
Chicago	489,406	I 15.1	407,034
Philadelphia	335,040	I 34.2	264,899
Boston	211,230	I 2.5	195,610
St. Louis	133,725	I 47.6	109,436
Kansas City ...	128,807	I 49.7	100,901
San Francisco...	84,736	I 35.6	69,390
Pittsburgh	95,208	I 57.9	65,417
Cleveland	63,075	I 74.6	49,199
Detroit	56,314	I 55.8	46,725
Baltimore	41,669	D 14.5	32,555
Cincinnati	40,346	I 23.0	32,129
Minneapolis	28,885	D 7.7	20,633
New Orleans ..	34,295	I 44.0	19,261
Los Angeles ...	31,214	I 14.7	25,446
Omaha	30,639	I 14.9	28,612
Milwaukee	24,555	I 31.8	19,558
Atlanta	23,080	I 53.5	19,326
Louisville	22,378	I 17.3	19,100
Richmond	20,061	I 16.0	22,042
Buffalo	18,843	I 29.1	14,093
Seattle	19,872	I 61.8	15,949
St. Paul	14,713	I 8.2	12,570

MONEY.

Call money in the London market shows no appreciable change from last week. It is still quoted from 4½ per cent. to 4¾ per cent. The New York rate is also unchanged at 2½ per cent. There is still plenty of money available in New York and prices are very steady. Even the prospect of war does not seem to have any effect on money rates there.

EXCHANGE.

A further decline in demand sterling was a feature of the week. It sold as low as 4.75 1-16, though this price was largely nominal and nobody wanted to sell at this level. Yesterday demand was stronger at 4.75⅜ to 4.75½. Cables remained pegged at 4.76 7-16.

There was no change in francs. Demand has been quoted all week from 5.84¼ to 5.84⅜ and cables at 5.84 to 5.84⅛.

Marks also remained quite steady, with demand ranging between 68 and 68⅛ and cables between 68⅛ and 68⅜.

Kronen were practically the same. Opening at 11.08 for demand, they sold up to 11.17 and from 11.10 to 11.19 for cables.

Roubles opened at 27.60 for demand, advanced to 27.90 and sold off to 27.65 yesterday. Cables, after opening at 27.70, rose to 27.80 and reacted to 27.75.

The Italian lire continues to decline. Demand opened at 7.80, rose to 7.66 and then dropped back to 7.76 on Friday. Cables opened at 7.79, rose to 7.65 and closed lower at 7.75.

New York funds were steady this week, compared with the previous two weeks. At the opening they commanded a premium of from 13-32 to 15-32 but, on the near approach of the war loan announcement, gradually declined until yesterday the quotation was 5-16. The rate is likely to go lower as war loan business in the United States develops.

ROYAL BANK.

A report from Santiago, Cuba, states that the Royal Bank of Canada has asked for protection for the American Sugar Mills at Santa Ana, in which it claims an interest to the amount of more than $1,000,000. It is reported that the forces under Col. Pablo Menocal, the President's brother, are marching from Bayamo towards the district where the mills are located and are said to have destroyed the property of Gen. Gonzales Flavell of the revolutionary army, as well as other properties.

President Menocal, it is said here, is openly opposed to the action taken by the American naval officers of Santiago in making an arrangement with the revolutionary party.

The Royal Bank announces that in order to encourage small investors to participate, it is again prepared to consider applications for advances from any of its savings depositors who are anxious to assist in making the coming Canadian loan a success, but are possibly without the necessary resources at the moment.

On the occasion of the last Government issue the Royal announced that it would make loans up to $900 to enable a depositor to purchase a $1,000 bond; such loans bore interest at the rate of 6 per cent., and were repayable in monthly installments. The management of the bank was well satisfied that the plan met a real need on the part of many Canadians of small means who were keen to assist in the Government's financing, but had little in the way of resources other than what they could save out of income. It is therefore being put into effect in connection with the new loan. Depositors to whom the idea appeals as a measure both of patriotism and of thrift are invited to consult with any manager of the bank.

BANK OF COMMERCE.

F. B. Francis, who for the past six years has been inspector of the Canadian Bank of Commerce in Winnipeg, has been transferred to New York where he will assume the important position of senior agent for the Bank in that city, in charge of the New York loans and matters of foreign exchange.

Mr. Francis began his banking career in Dunnville, Ont., and was subsequently in Montreal, Winnipeg and St. John. From the latter city he returned to Winnipeg, succeeding J. P. Bell as inspector.

A branch of the Canadian Bank of Commerce has been opened at Balmy Beach, Toronto, in charge of J. S. Greenshields; also a sub-agency at Cobble Hill, B.C., under the supervision of the Duncan manager, A. J. Marlow.

A branch of the Canadian Bank of Commerce has been opened at La Have, N.S., under the supervision of the Bridgewater manager, T. W. Magee.

BANK OF OTTAWA.

H. B. Cann, who has been connected with the Federal Reserve Bank of New York since its organization, has resigned to become assistant general manager of the head office of the Bank of Ottawa, in Ottawa. Mr. Cann, who is a Canadian, was formerly associated with the Bank of Nova Scotia. In the seven years that he has been in New York he has held the places of treasurer of the Central Leather Company, and manager of the foreign exchange department of the National City Bank. He was sent to South America by the City Bank several years ago to make an investigation as to banking opportunities there. On that trip he was accompanied by Morgan W. Schuster.

George C. Wainwright, who was manager of the Bank of Ottawa in Montreal from 1914 to 1916, has been appointed manager of the Winnipeg branch of the bank, succeeding J. P. Monk, who has retired after 35 years' service. Mr. Wainwright has been in the service of the bank since 1889.

UNION BANK.

D. M. Neeve, formerly manager of the Winnipeg branch of the Union Bank, and who has just been appointed to a managerial position with the Bank of Toronto, was presented, prior to his departure from Winnipeg, with an eight-day mahogany clock and an illustrated address by the staff of the Winnipeg branch.

BANK BRITISH NORTH AMERICA.

At the annual meeting of the Bank of British North America, held recently in London, Chairman Hoare said the financial history of the war will contain nothing more astonishing than the part played by Canada. If anybody had foretold in the autumn of 1914 that Canadian banks would lend the Imperial Munitions Board $150,000,000, he would have been regarded as an imbecile. The Finance Minister of Canada had shown extreme sagacity in the manner of his borrowing.

The bank's profits the first quarter of this year showed considerable improvement over the same period of last year. Two hundred and fifteen of the bank's employees had joined the colors, out of [illegible]. Prudence, therefore, did not permit the opening of new branches.

The directors announce a dividend of [illegible] shillings per share, payable the [illegible] of April next. The books will be closed from March 23rd to April 5th.

The Holland Bank of South America is planning to open a branch at Rio de Janeiro. The bank has been operating with Buenos Aires since July, 1914, and declared an 8 per cent. dividend for the operations of 1915.

TO BRING SETTLERS.

J. Bruce Walker Going to England for That Purpose.

J. Bruce Walker, Dominion Commissioner of Immigration at Winnipeg, is leaving for London, Eng., as a member of the imperial committee of six, of which Lord Tennyson will act as chairman, appointed to arrange for the settlement of large numbers of citizens soldiers on vacant farm lands in Canada. Soldiers have not made good farmers as a rule in other countries, but the inducements in this instance will be exceptionally favorable, and the unusual pressure of economic conditions after the war may make the soil more attractive. In any event Mr. Walker believes that any movement of soldiers to new farm land will cause a larger movement of others, including their kinsfolk and friends, to these undeveloped areas.

The Canadian Government has given Mr. Walker several months' leave of absence, so that he can devote his entire attention to his new duties, which will extend over three of four months in committee work alone. The plan will call for large expenditure of money, but Great Britain has decided it is essential to to keep British soldiers within the empire after the war. The London committee will decide by what methods the men who are suitable for farm life are to be selected, how they are to be trained and educated, how they are to be placed and what financial or other assistance is to be provided.

AMERICAN SHELL ORDERS.

Cancellations to Go Into Effect On March 31 st.

Dispatches from Philadelphia that the British Government has notified munitions that deliveries uncompleted on March 31 will be cancelled are without special significance, says the *Wall Street Journal*. Only concerns having British contracts are affected by the notice, and practically all the British contracts now being filled run up to March 31, with the exception of American Locomotive's orders for 8 and 9-inch shells, which do not expire until May 31 and are in no way effected by the notice.

All the larger munitions makers with these contracts will, from present indications, complete their contracts well within the time limits, so that they have nothing to lose from possible cancellations.

HOT SHOT FOR BRYAN.

Alton B. Parker Speaks His Mind to American Pacificists.

Alton B. Parker recently sent the following telegram to William Jennings Bryan, at Miami, Fla.: "If you and your friend Senator La Follette and your joint followers and sympathizers had gone to heaven three years ago, Germany would not have attempted to drive the United States from the seas or to conspire with other nations to make war upon her, for we should by now have been well prepared to defend ourselves; nor would you have had occasion to sneak out of Washington upon discovery of the German plot."

THE SITUATION NOW SHOWS LESS UNCERTAINTY.

Continued from page 1.

previous year, involving 21,157 employees, as compared with 9,140.

Commodity Prices.

The advance in commodity prices, in which there was a comparative lull about the end of the year, has been continued recently with marked effect. The labor department's index of wholesale prices reached 208.1 in January, as compared with 204.18 for December and 170.2 for January, 1916. The weekly budget of staple foods averaged $10.27 in January and $10.11 in December. For January, 1916, it was $8.28, and for January, 1915, $7.97. Transportation difficulties have affected the cost of certain foodstuffs, but for the most part the rise is due to the strong demand in relation to production, and such conditions are likely to continue for some time. Increased production for 1917 brings within the horizon the only real remedy; in the meantime there must be decreased consumption.

A Large Established Farm Mortgage Loan Company seeks additional loaning connections in Alberta and Saskatchewan.

Supervisor of Western offices will make appointments for personal interviews in February and March.

Address inquiries with full particulars to

"K. N. R., The Financial Post, Toronto, Ontario"

Geo. O. Merson & Co.

Chartered Accountants.

807 Lumsden Bldg., Toronto

C. H. ROOKE, LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 15th day of February, 1917, incorporating Francis Peart Dawson, John Edward Corcoran and William B. Horkins, students-at-law, Annie Bell, accountant, and Katherine Greenstreet, stenographer, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz.: (a) To carry on the business of manufacturers, distributors and dealers in Delco-Light products, gasoline engines and devices and contrivances to convert electric energy into heat, light and other uses, and to carry on the business of furnishing, erecting and installing such products, engines, devices and contrivances, and generally to carry on the business of manufacturers' agents, and to purchase or otherwise acquire any patents, patent rights, licenses or other interests conferred in exclusive or limited right to use any invention which may seem capable of being used for the purposes of the company; (b) To amalgamate the business undertakings and good will or any part thereof heretofore carried on by C. H. Rooke and all or any of the assets thereof, and to pay for the same in cash or wholly or partly in shares of this company, and to assume any or all of the obligations and liabilities o fthe said business; (c) To purchase, lease or otherwise acquire, and to hold, exercise and enjoy, all or any of the property, franchise and good-will, rights, powers, licenses and privileges held or enjoyed by any person or firm or any company or companies carrying on a business in whole or in part similar to that of the company and to pay for such property, franchise, good-will, rights, powers, licenses and privileges wholly or partly in shares of this company, wholly or partly paid-up; (d) To carry on any other business (whether manufacturing or otherwise) which may seem to the company capable of being conveniently carried on in connection with its business or calculated directly or indirectly to enhance the value of or render profitable any of the company's property or rights; (e) To acquire or own the whole or any part of the business, property and liabilities of any person or company carrying on any business which this company is authorized to carry on, or possessed of property suitable for the purposes of the company; (f) To take, or otherwise acquire and hold shares in any other company having objects altogether or in part similar to those of the company or carrying on any business capable of being conducted so as directly or indirectly to benefit the company; (g) To enter into any arrangement with any governments or authorities, municipal, local or otherwise, that may seem conducive to the company's objects, or any of them, and to obtain from any such authority any rights, privileges and concessions which the company may think it desirable to obtain, and to carry out, exercise and comply with or surrender any such arrangements, rights, privileges, concessions and franchises; (h) To promote any company or companies for the purpose of acquiring all or any of the property and liabilities of this company, or for any other purpose, which may seem directly or indirectly calculated to benefit the company; (i) To purchase, take on lease or in exchange, hire or otherwise acquire, any personal property and any rights and privileges which the company may think necessary or convenient for the purposes of its business and in particular any machinery, plant, stock-in-trade; (j) To draw, make, accept, endorse, execute and issue promissory notes, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments; (k) To take or otherwise acquire and hold shares or debentures in any other company having objects [illegible] similar to those of this company, [illegible] to sell, hire or otherwise deal with the same; (l) To sell or otherwise dispose of the undertaking of the company, or any part thereof, for such consideration as the company may think fit, [illegible]; (m) To distribute among the shareholders in specie any property of the company [illegible]; (n) To invest and deal with the moneys of the company not immediately required in such manner as may from time to time be determined; (o) To pay out of the funds of the company all expenses of or incidental to the formation, registration and advertising of the company, or [illegible]; (o) To adopt such means of making known the products of the company as may seem expedient, and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations; (p) To sell, improve, manage, develop, exchange, lease, dispose of, turn to account or otherwise deal with all or any part of the property of the company; (q) To construct, maintain and alter any buildings or works necessary or convenient for the purposes of the company; (r) To do all or any of the above things as principals, agents, contractors or otherwise, and either alone or in conjunction with others; (s) To do all such other things as are incidental or conducive to the attainment of the above objects. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "C. H. Rooke, Limited," with a capital stock of fifty thousand dollars, divided into [illegible] shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario. Dated at the office of the Secretary of State of Canada, this [illegible] day of February, 1917.

THOMAS MULVEY,
Under-Secretary of State.

PENMANS HAD RECORD YEAR OF BUSINESS

Sales Increased More Than a Million Over Last Year.

EARNED 31 P.C. ON COMMON

Business Three Times That of 1914—Reserve Account Now Stands at $1,500,000—Surplus of Assets Over Liabilities Increased.

The flourishing condition of the woolen industry is reflected in a very striking manner by the annual statement of Penmans, Limited, presented at the annual meeting held at Montreal on Monday. The company established a new high record all around, the sales for the year totalling $5,840,128, an increase of $1,097,214, over the year 1915, which was the best year in the history of the company up to that time. The net earnings, after bond interest, allowance for bad debts, and machinery scrapped, were $738,753, an increase of $95,605, or 15 per cent. The increase in sales was equivalent to 23 per cent. over the previous year. The balance, after the preferred dividend was paid, was equal to 31.4 on the common stock of the company, as compared with 26.9 the previous year. The payment of a bonus of two per cent. on the common stock does not, under these circumstances appear to be excessive.

After all deductions, dividends, reserve, war tax, etc., the company had a net surplus of $52,593 to carry forward out of the year's earnings, bringing the total at credit in profit and loss up to $672,492. The appropriation for reserve was $400,000, and this account now stands at $1,500,000. Following are comparative figures:—

	1914	1915	1916
Year's profits	$386,873	$779,933	$864,779
Bond int.	$100,000	$100,000	$100,000
Mach'y scrapped	14,348	18,415	22,663
Bad debts	12,210	18,369	3,363
Total deductions	$126,558	$136,784	$126,026
Net earnings	$260,315	$643,148	$738,753
Forward	522,483	530,774	619,899
	$782,798	$1,173,923	$1,358,652
Distribution—			
Pfd. divid.	$ 64,500	$ 64,500	$ 64,500
Com. divid.	86,024	86,024	107,530
Pat. Fund	1,500	3,500	10,000
Reserve	100,000	400,000	400,000
Bal. forward	530,774	619,899	672,493
Govt. tax	...	...	104,129
	$782,798	$1,173,923	$1,358,652

The surplus of assets over liabilities has been increased during the year by $360,037.28, the active surplus now amounting to $1,985,121.98.

Although bank loans increased $100,000 to $1,000,000 in the year, this was more than offset by a large increase in inventories. Current assets increased $518,000 against an increase of $158,000 in current liabilities.

The expansion of the company's business is shown by the following comparative figures:—

	1914	1915	1916
Sales	$3,540,978	$4,742,914	$5,840,128
Increase	....	34%	23%
Net profits	260,315	643,148	738,753
Increase	....	14.7%	14.8%
Earn.	7.40%	13.56%	12.65%
Earnings Capital Stock—			
Preferred	24.21%	59.82%	69%
Common	9.10%	26.90%	31.35%
Surplus of Liquid Assets—			
Over liab.	$1,183,685	$1,625,084	$1,985,120
Increase	....	441,399	360,036
Inventory	1,605,319	1,688,663	2,190,751
Increase	....	83,344	502,088
Reserve	700,000	1,100,000	1,500,000
Profit & Loss	530,774	619,899	672,492

Shareholders will find the following table, showing comparative figures of earnings and the market prices of the common and preferred stocks for the past nine years:—

	Earned on Com.	High	Low	Earned on Pref.	High	Low
1916	31.3	78	60	69.0	90	82
1915	26.9	63	49	59.8	82½	82
1914	9.1	55½	48	24.2	84¼	79½
1913	12.1	57¼	49½	30.3	88¾	79
1912	11.1	61	54¾	28.3	88	85
1911	8.2	63	54¾	22.4	90	84¾
1910	11.3	64	51	28.5	90	80
1909	5.9	50	29¾	30.1	93¼	84
1908	12.0	60	42	17.7	85	72½

HILLCREST COLLERIES PROFITS WERE SMALLER

Labor Troubles Interferred With Production and With Earnings.

Labor troubles were mainly responsible for the smaller profits earned by the Hillcrest Colleries, last year.

The net earnings of the company as shown by the financial statement submitted at the annual meeting held at Montreal on Tuesday afternoon, were $81,593, as compared with $85,846 in 1915, a decrease of $4,253. After paying bond interest of $16,250, and preferred dividends of $49,399 and adding $15,000 to reserve, the amount of $10,608 was carried forward to profit and loss, which account now stands at $170,617.

The president, C. B. Gordon, drew attention to the fact that while the demand for coal had been very good throughout the year, the company had been handicapped by the shortage of labor. Enlistments from the district had been large, and under the circumstances he hoped that the shareholders would not find the report too unsatisfactory. Considerable development work had been done at the mine.

The company's financial position continues to be satisfactory. The current liabilities were $66,050, and the current and working assets $182,166, leaving a margin of assets over liabilities of $116,116. This is an improvement of about $40,000, as compared with the financial position of a year ago.

Dividends of 7 per cent. have been paid on the preferred stock since March 15, 1910, but no dividends have been paid on the common yet.

Following are comparative figures:

	1916	1915	1914
Net profits	$ 81,593	$ 85,846	$ 92,764
Other income	9,663	9,860	9,083
Balance	$25,608	$30,057	$35,690
Interest	16,250	16,250	16,758
Balance	$75,007	$79,456	$85,089
Pfd. dividend	49,399	49,399	49,399
Balance	$25,608	$20,057	$35,690
Reserve	15,000	....	....
Surplus	$10,608	$30,057	$35,690
Prev. Surp.	160,009	129,952	94,261
Total Surplus	$170,617	$160,009	$129,952

INTERCOLONIAL COAL HAD A GOOD YEAR

The Profits Were $76,000 Higher, and This on a Reduced Output.

The financial statement of the Intercolonial Coal Mining Co., presented at the annual meeting of the company, held at Montreal on Wednesday, showed a very satisfactory improvement in earnings over the previous year, the gross operating profits being $122,734.09, as compared with $46,556. After deducting bond interest, sinking fund allowance, and allowing $24,828.92 for depreciation, and making provision for the war tax, the company had $79,097.74 to carry forward to the credit of the profit and loss account, instead of a deficit of $36,960 for the year ending December 31st, 1915.

Charles Fergie, the president, in presenting the directors' report, stated that the output of coal showed a falling off of 34,229 tons from last year's figures, the total quantity raised being 143,748 tons, as compared with 177,977 tons in 1915. The chief causes responsible for this decrease were the loss of the workings in the No. 1 mine, as a result of the fire of the previous year, the shortage of labor, and absenteeism among the men. The demand for coal exceeded the supply throughout the year, and, while several wage increases were granted, the prices obtained were on the whole very satisfactory.

During the year the company redeemed 5 per cent. first mortgage bonds to the value of $22,000, while further bonds of this issue were exchanged for those of the 6 per cent. issue. Bonds of the latter issue, to the amount of $6,000, were redeemed by the sinking fund, leaving now outstanding only $17,500 of the 5 per cent. issue due 1918, and $183,500 of the 6 per cent. issue due in 1923.

The financial position of the company shows a great improvement over the previous year. The current assets, which include cash of $44,982, and a call loan of $50,000, total $228,919.06, as compared with $139,095, a year ago. The total assets of the company are $1,727,064, of which $1,498,145.79 are fixed assets.

The profit and loss account compared with that of 1915 follows:—

Op. profit	$122,734	$46,556
Prev. bal.	10,593	47,552
	$133,327	$94,108
Less—		
Bond int. and s. f.	17,853	17,860
Prop. discount	1,546	1,546
Depreciation	24,828	58,858
Total deduction	$57,091	$83,516
Balance	$79,097	$10,593

RECORD PROFIT FOR DOMINION CANNERS CO'Y.

Showing Was 100 Per Cent. Better Than 1914 Year.

SUCCESS OF HOLDING CO.

Report May Be Taken As Evidence of Success of Joint Organisation and of Large Orders for Military Purposes.

The effect of the control of the canning situation in Canada, which resulted from the formation of a holding company and the amalgamation of the Dominion Canners and British Canadian Canners — and of Government war orders—is revealed in the annual statement of Canners, presented to the shareholders at the annual meeting this week. Despite the fact that there was a small pack last season, and that there was some difficulty in filling contracts, it is evident from the profits reported, which were the best in the history of the combination, that selling prices provided an ample margin of profit. The war orders referred to, which included large contracts for canned beans with pork, for the British War Office, must also be taken into consideration.

The profits of $668,007, compared with a loss on operations in 1915 of $294,439. Profits in 1914 were $330,852, or 50 per cent. of those of last year. Bond interest amounted to $111,230, as compared with $113,181 in the previous year; $279,176 was paid out in dividends on the preferred or set aside in provision therefor. This compares with $39,000 in the previous year, when the dividend was deferred after the first quarter. Balance added for the year amounted to $277,601, as compared with a deficit in operations of $446,823 in the previous year. The balance forward for the year is $458,454, comparing with $180,183 in the previous year. The report compares as follows with the years 1915 and 1914:—

Summary of Profit and Loss.

	1914.	1915.	1916.
Profit	$ 330,852	*$294,438	$668,007
Interest	115,729	113,180	111,230
Balance	$215,123	$407,618	$556,777
Pref. div.	155,541	39,000	279,176
Balance	$ 50,582	$446,620	$277,601
Common div.	32,229	......	......
Balance	$ 27,353	$446,620	$277,601
Prev. balance	600,080	627,433	180,813
Total balance	$627,353	$180,813	$458,414

*Loss.

GOOD YEAR FOR EAST CANADA FISHERIES

The Annnual Report Was Best in the History of the Company.

The reports presented at the annual meeting of the Eastern Canada Fisheries which was held at Montreal a few days ago, showed that the past year had been the best in the history of the company. The balance was on the wrong side of the ledger, but the deficit was only about $10,000, which is the smallest loss that the company has had since it began operations in 1911. The directors are confident that a nice profit could have been made last year had the company had adequate working capital. It was decided to offer for sale $100,000 bonds, the proceeds of which will be used to retire $23,550, 7 p.c. debenture notes and to take up an option to purchase for $43,500, a $70,000 mortgage existing on the company's properties, and to provide the much needed working capital. These bonds will be a first lien on the entire property. The buyers will be offered 50 per cent. of common stock with the bonds. The company is extensively engaged in the fishing of lobster, mackerel, cod and herring in the civinity of the Magdalen Islands, in the Lower St. Lawrence river, and in the packing thereof. It acquired, upon organization, the large canneries, plants, cold storage warehouse, etc., erected by the Magdalen Islands Development Co., together with this company's properties, warehouse, freezers, and offices at Pictou, N.S. **The latter properties were sold in 1914, not being needed. The properties owned by the company include the whole of the Magdalen Islands, excluding 10,000 acres, which is the property of the residents of the islands. The company also owns all the mining rights for gypsum, and manganese on the islands, and owns a fleet of twenty motor fishing boats and the steamer Amherst.**

The losses of the company during the first few years of its history are mainly attributed to bad management. Since a change was made things have gone along much more satisfactorily, and the difficulties of the company are now believed to be at an end. The directors and officers were re-elected.

MIGHT HELP CANADA.

New York Opinion as to Effect of Break With Germany.

Sentiment among Canadians visiting New York inclines to the belief that war by the United States against Germany would be rather beneficial to Canada. It is pointed out that present high prices for raw material, as well as farm products, would be maintained with strong probability of further increases in the cost of foodstuffs, and some revival of lumbering. They also believe that hostilities would remove one obstacle to immigration, and that the tide of emigrants from western states would assume the normal volume of former years.

It is the general feeling that interest rates would advance for both public and private loans, but that charges would not be such as materially to affect financing, and that there would be ample funds available for whatever municipal or private loaning Canadians may have planned in New York or elsewhere. Disposition is shown, however, to carry out plans promptly at this time.

BLACK LAKE ASBESTOS CO. HAD GOOD YEAR

Statement Bears Out Post's Forecast as Regards Dividends.

NET EARNINGS GAIN $43,368

Company Had Deficit at End of 1914, and Now Has Credit P. and L. Balance of $66,093.

The annual statement of the Black Lake Asbestos & Chrome Company will be contemplated with considerable satisfaction by the shareholders. As stated by the FINANCIAL POST last week, a dividend of two per cent. will be declared on the income bonds for the past half year, and it is expected that the same distribution will be made for the ensuing six months. After that the directors are confident that six per cent. can be paid regularly on the income bonds. The net earnings for the past year are $63,655, which is equivalent to 2.12 per cent. on the common stock. This is an increase of $43,368 over the profits for 1915, which were only $20,287.

After making provision for depreciation of $41,832, the company has a balance of $2,823 to be carried forward to profit and loss account. The balance now at credit of this account is $66,093. When it is recalled that the company started the year with a deficit of $64,557, it will be seen that excellent progress in the right direction has been made.

The operating profit for the year, as shown by the statement, was $72,746, as compared with $29,752 the previous year, an increase of $42,994. Rents increased $907, from $98 to $1,005, and interest $1,615, from $2,422 to $4,037. Operating expenses were $14,133.

A comforting feature of the statement was the announcement that what is hoped is the last valid claim against the Black Consolidated Asbestos Company, the liabilities of which were assumed by the present company, had been wiped off the slate.

The statement is made that nearly the whole of the company's estimated output of asbestos and chrome has been contracted for at satisfactory prices. The company's deposits of chrome are considered very valuable, and should in the future become an increasing factor in the earnings of the company.

A comparison of the profit and loss account with 1915 follows:

	1916.	1915.
Op. profit	$72,746	$29,752
Rents rec.	1,005	98
Interest	4,037	2,422
	$77,788	$32,272
Deduct:		
Gen. exp.	8,210	2,837
	$69,578	$29,435
Taxes, etc.	2,176	2,110
	$67,402	$27,325
Other charges	2,342	1,689
	$65,061	$25,636
Development, etc.	1,406	5,349
Net earns.	$63,655	$20,287
Dep. reserve	41,832	......
Added to p. & l.	$21,823	$20,287
Prev. bal.	44,270	*64,557
Bal. at credit p. & l.	$66,093	$44,270

*Deficit.

Nova Scotia Steel & Coal Company, Limited

The Report of the Board of Directors, Statement of Assets and Liabilities and Abstract of Profit and Loss Account for Year Ending December 31st, 1916

To the Shareholders of the Nova Scotia Steel & Coal Company, Limited:

The Directors herewith submit the Sixteenth Annual Report and Statement of Assets and Liabilities, with Abstract of Profit and Loss Account, for the year ended December 31, 1916:

The Gross Profits for the year after providing for special renewals of plant and equipment was		$4,222,373.07
From this were deducted provision for depreciation, war profits tax for 1915 and 1916, Patriotic contributions, Sinking Fund instalment and reserve for doubtful accounts	$1,490,586.10	
And interest paid during the year on bonds, debenture stock and bank advances	627,309.17	
		$2,117,895.27
Leaving net profits for the year		$2,104,477.80
The balance carried forward to profit and loss account at January 1st, 1916, was		1,510,609.18
Which, with the net profits for the year make a total of		$3,615,068.98
From this amount was paid four quarterly dividends on the 8 per cent. cumulative preferred stock for the year to December 31st, 1916		80,000.00
Leaving to be carried forward to the credit of profit and loss account the sum of		$3,535,086.98

The operations of the Company during the year were carried on under many difficulties, such as scarcity of labor, supplies and railway congestion.

The Capital Expenditure during the year has been necessarily high, mainly in connection with munitions work.

The sinking of the new Jubilee Shaft at Sydney Mines, work on which was discontinued in May, 1914, was resumed in April last. The shaft is now sunk to the depth of 740 feet and by the use of a temporary hoisting plant this colliery is now producing about 550 tons of coal daily.

Good progress was made in driving the new pair of slopes at Wabana. At the close of the year over 70 per cent. of this work had been completed, and it is confidently expected that the driving of these slopes will be finished before the close of the present year.

As a result of the increased capital expenditure in the Iron and Steel Department, the output of forged shells during the year was 90 per cent. greater in number and 120 per cent. greater in weight than in 1915, while the total shipments of finished steel, forgings, etc., exceeded that of the previous year by 64 per cent.

The Eastern Car Company had a somewhat unsatisfactory year. The impossibility of obtaining prompt delivery of materials greatly restricted the output. The experience gained in the production of a foreign type of car, and the much higher prices at which recent orders were taken, will, it is confidently expected, make the present year's operation show a satisfactory profit.

The Bank advances and bills payable are abnormally high. This is due to the large increase in business and is more than offset by increased inventories, and by loans to the Eastern Car Co., Limited, to enable them to finance contracts on hand.

The orders for steel products on the Company's books at the present time is equal to 74 per cent. of last year's shipments, and is sufficient to keep the plant fully employed for the next six months, and there is every prospect that this condition will prevail during the entire year.

THOS. CANTLEY,
President.

New Glasgow, February 28, 1917.

BALANCE SHEET DECEMBER 31, 1916

ASSETS.

Mining Properties and appraised present values of Real Estate, Buildings, Plant, Machinery and Equipment, less depreciation written off		$20,036,596.01
Investments in Capital Stock of other Companies, including $9,200 of Company's own Bonds purchased for Sinking Fund purposes		239,337.51
Deferred Balances Receivable on Houses sold.		71,404.69
Current and Working Assets:		
Inventories—not exceeding cost	$4,022,667.60	
Advances to Eastern Car Co., Limited	1,911,448.73	
Accounts Receivable (less Reserves)	1,001,056.11	
Bills Receivable	41,466.58	
Dominion of Canada 5% War Loan Bonds, due 1931, $122,500, par value at 97½	119,437.50	
Cash in banks and on hand	540,558.83	
		7,636,735.35
Deferred Charges to Operations:		
Steamer hire and expenses	$ 357,500.00	
Insurance and miscellaneous	38,099.42	
		395,599.42
Contingent Liabilities:		
Bills under discount	$ 88,461.00	
Mortgages of the Nova Scotia Land Company—not over	30,000.00	
Guarantee of Principal, Sinking Fund and Interest of 6% First Mortgage Sinking Fund Gold Bonds due July 1st, 1952, of the Eastern Car Company, Limited—amount outstanding	979,200.00	
	$1,095,661.00	
		$28,279,672.98

LIABILITIES.

Capital Stock:		
Eight per cent. Cumulative Preference—Authorized and issued—10,000 shares of $100 each		$ 1,000,000.00
Ordinary — Authorized — 150,000 shares of $100 each	$15,000,000.00	
Issued—75,000 shares of $100 each		7,500,000.00
Six Per Cent. Mortgage Debenture Stock:		
Authorized Issue	$5,000,000.00	
Less—in Treasury	1,000,000.00	
		4,000,000.00
Five Per Cent. First Mortgage Sinking Fund Gold Bonds Due Jan. 1, 1959:		
Authorized Issue	$6,000,000.00	
Less—redeemed by Sinking Fund	212,804.02	
		5,787,195.98
Current Liabilities:		
Bank Loans	$ 693,906.05	
Bills Payable	1,051,000.00	
Accounts and Wages Payable	1,411,731.12	
Interest accrued on Bonds and Debenture Stock	266,920.73	
Dividend on Preference Stock payable January 15th, 1917	20,000.00	
		3,443,557.90
Deferred Credits to Income		305,000.00
Reserves:		
For relining furnaces, coke ovens, renewals and for Business Profits Tax, 1916	$ 808,832.12	
General Reserve	2,000,000.00	
		2,808,832.12
Surplus		3,535,086.98
		$28,279,672.98

PROFIT AND LOSS ACCOUNT FOR YEAR ENDING DECEMBER 31, 1916

Profits for the Year after providing for maintenance and renewal expenditures on plant and equipment, but before deducting depreciation, interest charges, etc.	$4,222,373.07
Deduct:	
Provision for depreciation, business profits, tax for 1915 and 1916, Patriotic contributions, etc.	1,490,586.10
	$2,731,786.97

BALANCE.

Deduct:		
Interest on Bonds	$289,359.80	
Interest on Debenture Stock	240,000.00	
Interest on Bank Advances	97,949.37	
		627,309.17
NET PROFITS FOR THE YEAR.		$2,104,477.80
Add:		
Surplus brought forward January 1st, 1916		$1,510,609.18
		$3,615,086.98
Deduct;		
Dividends declared on 8 p.c. Cumulative Preferred Stock for year to December 31, 1916.		80,000.00
SURPLUS CARRIED FORWARD.		$3,535,086.98

We have audited the books and accounts of the Nova Scotia Steel and Coal Company, Limited, for the fiscal year ending December 31, 1916, and we certify that in our opinion the above Balance Sheet is properly drawn up and shows the true financial position of the Company at December 31, 1916, and that the relative Profit and Loss Account is a fair and correct statement of the results of the operations for the year.

J. Heywood Macgregor,
F. Beresford Oxley, } Auditors.

Price, Waterhouse & Co.,
Chartered Accountants.

THE FINANCIAL POST OF CANADA

President, - - - JOHN BAYNE MACLEAN
Vice-President - - - - - H. T. HUNTER
Manager - - - - - - R. G. DINGMAN

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Toronto, March 10, 1917.

THE NEW WAR LOAN.

THERE are three important aspects from which the Dominion of Canada third war loan should be considered. As an investment. As a factor in defeating Germany and her Allies. As a national business proposition.

The investment value is at once obvious. The security is not to be questioned. Canada is a young country with almost unlimited resources, and the present balance of trade in her favor is an indication of the value from the productive standpoint of the development which has already taken place. It is estimated that at the value at which the loan will be marketed the basis of return will be about 5.40 per cent.—a rate on such security which can only be explained in the present unsettled state of international finance. Further, there are strong indications that for a short term a higher return will be available. Canada borrowed money around 3½ per cent. before the war and it is only natural to expect that in the years following the close of the conflict there will be readjustments to more normal borrowing conditions. Under such conditions the value of a Canadian Government security giving a return of 5.40 per cent. would advance to such an extent as warranted by the prevailing borrowing rate.

There is no more convincing method for Canada to illustrate and emphasize to Germany the co-operation of the Dominions with the Mother Country in this her hour of trial than by making the volume of subscriptions for this loan on a par with those which in the recent Victory loan in England sent forth the challenge of the British people. In her attitude toward practically the whole world, Germany's great weakness has been in lack of understanding of national psychology, and it is for Canada to reiterate again her declaration that on the field and in finance, Jack Canuck stands shoulder to shoulder with John Bull.

Underlying is the business proposition that to continue our national prosperity we should pay our share in the costs. The war had the effect of cutting off the European money market, from which we were drawing large capital supplies. At the same time, the demand for munitions and for foodstuffs enlarged our market and enhanced prices to such an extent that we have now a balance of trade in our favor of between $300,000,000 and $400,000,000 per year. With a productive machine which has under war conditions brought such large profits to the nation we should be able to easily finance the running expenses. From the standpoint of manufacturing and agricultural return—apart from all other considerations—Canada should be able to pay all and more than is being asked and on the same basis extend assistance to finance the additional war business being placed in this country by Great Britain.

We would hardly, as a nation, invest in the war simply because of the business resulting therefrom, but such are the economic factors at work that is one of the things which is actually being brought about. And so long as we are able to do our borrowing at home, the situation will continue fundamentally sound.

Let it be said here that THE FINANCIAL POST does not fully endorse the system of war finance being followed by the Ottawa Government. We believe that it would be better by increased taxation to take a large measure of the abnormal profits to meet war expenditures and not leave the full burden to posterity when the country as a whole will have to make up the interest to the comparative few who hold Government bonds. However, that is apart from the question of making a success of the coming issue, and in fact may be regarded as an argument that as many as have funds should buy bonds the income from which will offset the higher assessment that the war burden will mean in the future.

CENSORSHIP TAKEN FROM POST OFFICE.

THE censorship of newspapers, magazines and other printed matter coming into Canada has been taken out of the hands of the Deputy Postmaster-General and transferred to the Department of the Secretary of State. Regulation after regulation has been issued by Dr. Coulter before and since the outbreak of the war to be found not only impracticable, but absurd, and therefore had to be cancelled. One famous regulation declared in effect that editors of newspapers were not to be trusted, by providing, that all letters and newspapers addressed to publishers in Canada be opened and carefully examined by clerks in the various post offices to see whether it was safe to send them to the publishers.

Another, equally absurd regulation, was shutting out the Hearst daily newspapers, with the result, as was to be anticipated, that these papers with their tremendous circulations, developed, from an attitude of indifference to Canada to one of active antagonism. They have been carrying on a propaganda to prevent workers and farm laborers and settlers from coming to Canada and have urged that legal as well as moral action be taken to prevent Canada from borrowing money in the States, to prevent Canadian agents from working in the U.S. and to prevent U.S. papers carrying Canadian advertising.

These are only a few of scores of cases of mismanagement that have been made public. One has only to gossip with some of the higher officials in the Post Office Department to learn of the hundreds of thousands of dollars wasted annually in this department due to incompetent management. In these times when every cent should count the Government should promote to be head of and to manage this department one of the Post Office officials, whose career has shown him capable of doing bigger things; of whom we understand there are several excellent men now in the service of the Government.

MINISTERS GO SLOWLY.

Hon. Robert Rogers and Hon. J. D. Hazen have been invited to approach the British Ministers in support of the Empire Resources Development scheme. Let us again issue a warning to those who have charge of our national affairs that they should not be carried into support of this project by men with big names and high positions. If Canada is to hand over 200,000,000 acres of her heritage, we must make sure that it is for the national good and not to line the pockets of some whose public positions do not interfere with the accumulation of private wealth.

REFINING BRITAIN'S SUGAR.

THE British commission recently purchased 100,000 tons of sugar. From the efforts previously made to secure refined sugar it is evident that on account of labor conditions it is not considered advisable to do the refining in England. American refiners are wondering if the work will fall to them. What about Canada? Are the refineries in this country working at capacity? We believe not. The refining capacity in this country is much greater than domestic consumption. Already orders have been handled by the big plants at Montreal and on the Coast, and under the circumstances there is no reason why they should not be employed at capacity on this business. The work would be almost as important as munitions manufacture, and it could be similarly financed to the advantage of the Empire.

Here is a case where the need of practical business men in the Government is illustrated. One of our big industrial business getters would probably have no difficulty in arranging such a matter. If the politicians begin dabbling with it much time will be lost and the results doubtful. Individual effort on the part of the companies will no doubt be employed, and probably to good purpose, but not with the same effect as a practical and efficient Minister of Trade acting for the refining industry and the nation.

PATRONAGE AND POLITICS.

IT has become a time-honored plank in the platform of Opposition parties in Canada—whether Dominion or Provincial, Liberal or Conservative—to advocate that the civil service be taken out of politics and the patronage system abolished. And it has become a time-honored custom for Governments—the same Governments which have been in Opposition—to maintain the ancient political custom of taking those spoils which to the victor belong. Usually, it might be remarked in passing, one gains the impression that the efforts of the Opposition are more for the purpose of creating a division of the House and manufacturing campaign material, than with the sincere idea of really abolishing a system which it has countenanced in Opposition and probably will again countenance in power. The recent debate in the Ontario Legislature was merely an incident in the career of the system.

This employment of the patronage system is one of the greatest menaces to the public welfare involved in the policy of Government ownership. If a Government refuses to employ efficient methods in the services which it already controls there is no guarantee that it will do so if it controls others. In fact, the whole history of the methods of political parties is to the contrary; and they will undoubtedly continue so as long as the present system of appointing the men who run the country's business is followed.

The patronage system is only one example of the inefficient methods employed in the present administration of Canada's public business. No one could imagine the great executive heads of private enterprises choosing their employees in this way. Put these same executives in control of the Government departments and put them beyond the sordid influences of politics and the patronage system and many other examples of inefficiency will die a sudden death. Until such time as this is done, and so long as the patronage system exists, practical business men will lend their strength to oppose the mob-ridden policy of Government ownership.

EDITORIAL NOTES.

SUMMER boarders who will work for their board would this season be popular with the farmer.

* * *

THE German idea of the freedom of the seas is to keep them free of the ships of all other nations.

* * *

THE conspirators who planned to kill Lloyd-George by driving a poisoned nail in his shoe may have thought that he, like Achilles, was vulnerable only in the heel.

* * *

IN the reorganization of the British consular service, special attention will be given to including business men. A move in the right direction. If business and politics will not mix in administering national affairs then let us cut out politics.

* * *

TO DEAL with the problem of future fuel shortages, the Commission of Conservation suggests summer forethought and larger coal bins. Still there is the difficulty of bringing the average mind to think of the coal man when the ice man is at the door.

THE BIG BUSINESS OF HOTEL MANAGEMENT

Remarkable Story of Rapid Advancement of Frank L. Hutchinson from Kitchen Steward to Controller of the Great C.P.R. System of Twenty Modern Hostelries—Was Formerly a Grain Broker.

Some time ago a sketch appeared of J. McIntee Bowman, the Canadian who is establishing a Remarkable chain of hotels in New York, and who was acclaimed by MacLean's Magazine as the "greatest hotelman in the world." One of his closest rivals for that title is another Canadian, Frank Losh Hutchinson, manager of the chain of C.P.R. hotels scattered throughout the Dominion. The story of his rise is a particularly interesting one for Canadian business men. The following is quoted from the Nation's Business:—

> If you were to be confronted for one day with the task of managing even a small hotel you probably would emerge from the ordeal with a wholesome respect for the size of the job. For the ability to keep the hidden wheels moving ceaselessly and efficiently beneath an unruffled surface is a gift that requires a special genius. The management of any large hotel, however, demands from its proprietor special efficiency in a vastly more difficult economic problem; and the management of a chain of twenty hotels, scattered from Nova Scotia to British Columbia and comprising some of the most important hostelries on the continent, constitutes not only the greatest housekeeping job in the world, but one of its big commercial enterprises.
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> During the past ten years the work of hotel management has become a part of Big Business. The Boniface of the yesterdays has given way to the business man of today. And with the new order has come Frank Losh Hutchinson, who after a period of less than ten years in the hotel business takes charge of the twenty hotels of the chain owned and operated by the Canadian Pacific Railway Company.
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> Ten years ago Mr. Hutchinson was a member of the Montreal Grain Exchange. The panic of 1907 caught him, as it caught thousands of other men already financially successful. So effectively did it crush all immediate business opportunities that there were but few avenues of employment open even to men of unusual ability. The young broker, instead of waiting passively for the coming of better conditions, turned to the nearest available job.
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> The job happened to be that of kitchen steward at the Chateau Frontenac in Quebec, one of the largest and most important of the Canadian Pacific chain. Hutchinson knew more about eating good dinners than about preparing them, but he had a shrewd idea of the value of efficiency methods as applied to a stewardship. He went over the scope of his work thoroughly, found the weak places, bolstered them; found the leaks, stopped them; found the opportunities for enlargement of service, used them; found the means for bettering the service, and put them into effect. Within a short time the hotel department of the railway recognized his ability by promoting him to the assistant managership of the Frontenac. In a year he was managing the Chateau, the great gray building which sentinels the harbor of Canada and meets the traveler as the foreground of the splendid picture of Quebec. In another year Hutchinson was assistant to Hayter Reed, the general manager of the hotel department. Later he became the superintendent of the Canadian Pacific hotels in Alberta. In 1913 he resigned to manage a large hotel outside the system, but returned in a short time to take charge of all the hotels of the railway.
>
> The Canadian Pacific hotels represent an invested capital of $25,000,000. The twenty, known to globe trotters as the finest system in the world, extend over a line from the Atlantic to the Pacific, and include hotels famous for their beauty of structure, their excellence of service, their fine cuisine and their general dependability.
>
> The twenty hotels of the system are the Chateau Frontenac of Quebec, the Place Viger of Montreal, the Algonquin and the Inn at St. Andrews, New Brunswick, the McAdam Hotel at the New Brunswick Junction of the same name, the Caledonia Springs Hotel of Ontario, the Royal Alexandra of Winnipeg, the Palliser of Calgary, the Banff, the Chateau at Lake Louise, the Mount Stephen House at Field, the Emerald Lake Chalet, the Glacier House, the Hotel Revelstoke, the Kootenay at Balfour, British Columbia, the Sicamous, the Incola at Penticton, the Hotel Vancouver, the Cameron Lake Chalet, and the Empress Hotel at Victoria.
>
> It is the mountain hotels of the railway that constitute one of the most difficult of the problems that task Mr. Hutchinson's work of management. The disadvantage of wilderness travel has been the wretchedness of hotel service on some of the world's beauty spots. Men and women accustomed to combining magnificence of place with miserable accommodations have been delighted to discover that one railway system has provided for their comfort hotels equal to any in good service.
>
> Because of its coast to coast tourist traffic the Canadian Pacific decided to inaugurate this hotel system in order that its patrons might be insured adequate accommodations. The popularity of the railway with British globe-trotters and big game hunters brought into Western Canada a type of traveler accustomed to the best of European hotel service and demanding the same wherever he traveled. The unadaptability of the English tourist was the immediate incentive of the establishment of the chain of hotels.
>
> To keep up the standard is a job of enormous proportions. The commissary alone is equal to the commissary of a small army in the size of the purchases, and considerably more exacting as to its quality. The majority of the Canadian Pacific Hotels are operated on the American plan, which is a convenience for the guest, but is in most cases an added difficulty for the proprietor. The cost of transportation of food and supplies to the mountain hotels and the maintenance of these hotels at flat standard rates present a constant difficulty of management to the hotel department.
>
> Difficulties of labor, of commissary, of general equipment, of market values, of wear and tear on stock, of service, arise every day in every hostelry of any size. Multiply the troubles of one big hotel by twenty, and you have the job that Frank Losh Hutchinson has undertaken. Imagine the help he'll have to supervise, the food he'll have to buy, the machinery he'll have to keep moving, and you'll admit that he has the biggest house-keeping job in the world.

PERSONAL

V. M. DRURY, of the Royal Securities Corporation, has been bereaved by the death of his mother, Mrs. C. W. Drury, widow of the late Major Drury, C.B., who died on Friday morning last, at the Linton Apartments, Montreal. Lady Beaverbrook and Mrs. Languedoc, wife of Errol Languedoc, K.C., are daughters of deceased.

F. J. CAMPBELL, who last week was elected a director of the Canada Paper Co., to fill the vacancy caused by the death of Senator McKay, has been general manager of the company since 1902. Mr. Campbell was mayor of the town of Windsor Mills, during the years 1907-1908. He finds time to occasionally contribute to the columns of the magazines.

J. LORNE CAMPBELL, whose death occurred recntly in Toronto, was for years a well-known figure in the Queen City's financial district and for a time presided over the affairs of the Stock Exchange. Representatives of the Exchange and various banking and financial interests attended the funeral while resolutions were passed by the Exchange at its regular session expressing the esteem in which deceased was held by the members.

AEMILIUS JARVIS, the well-known financier and industrial director, has for months been devoting practically all his energies and organizing ability to securing recruits for the Navy. To such an extent has he been occupied with this work that he has found it difficult to give the consideration to his various industrial interests which characterize his connection with them in normal times. It is for this reason that he has found it difficult to give the consid- Steamship Lines, having found it difficult in view of his recruiting work to attend directors' meetings at Montreal. Mr. Jarvis is president of Canadian Locomotive, and B.C. Packers and a director of a number of other concerns.

H. V. CANN, who has been appointed assistant general manager of the Bank of Ottawa, is a native Canadian, having been born in Nova Scotia. He was formerly connected with the Bank of Nova Scotia, but for the past seven years has been in New York, where he held the positions of treasurer of the Central Leather Co., and manager of the foreign exchange department of the National City Bank, previous to becoming connected with the Federal Reserve Bank. Mr. Cann was sent to South America by the City Bank several years ago to make an investigation as to banking opportunities there. He was accompanied on that trip by Morgan W. Schuster, who reorganized the finances of Persia.

LIEUT. H. W. COCKSHUTT, whose death has been officially reported on the field of battle was one of the directors of the Cockshutt Plow Company, of Brantford, and the only son of the founder of that important industrial institution. At the time he decided to answer the country's call he was foreign sales manager of the company, and, although only 33 years of age, had already shown large business ability. He had been in the service of the company since graduating from McGill University, first at the home offices at Brantford and later at Winnipeg and Regina before taking up the important department of foreign sales manager. He had been a director since 1913.

DANIEL E. COYLE, who has just been appointed to take charge of the new industrial resources department of the Canadian Northern Railway, is one of the best known of the younger railroad men in Western Canada. Mr. Coyle started his railroad career with the Canadian Pacific Railway in the office of the late Sir William White, when the latter was superintendent of the Western division; he was secretary to Sir William from 1896 to 1901. In the latter year he entered the service of Mackenzie, Mann & Co., as assistant to R. J. McKenzie, who was in charge of the construction of the Canadian Northern lines in the West, and he has since been associated with the C.N.R. in various capacities.

JOHN R. BARBER, whose death took place this week at Georgetown, was for many years one of the most prominent figures in the paper and stationery manufacturing industry in Canada. A son of the late James Barber, who, with his brother, conducted the paper manufacturing plant at Georgetown for many years, he succeeded as sole proprietor of the concern in [illegible]. Later his company became the Barber-Ellis Company, of Toronto. Mr. Barber also had interests and positions in several other paper and pulp enterprises, but retired from active business life in 1912. He was for many years very active in the volunteer militia movement and saw service at the time of the Fenian Raid in 1866. He was a member of the Georgetown Light Infantry, 1862 to 1905, continuously holding an officer's commission for 42 years.

GEORGE P. SCHOLFIELD, the general manager of the Standard Bank, whose sudden death on Thursday, in New York, came as a severe shock to the financial circles of Toronto, where he was intimately known, and to the banking community of the whole Dominion, in which he had for many years filled such a prominent position. One of the most prominent and successful of Canada's financiers and banking authorities, his general business abilities were appreciated in many other fields. He was general manager and a director of the Standard Bank, a director of the Manufacturers' Life Insurance Company, president of Sutherland-Innes Company, Limited, of Chatham; president of the North-Western Cooperage and Lumber Company of Gladstone, Mich.; director of the Trusts and Guarantee Company, Limited; director of the Canada Flour Mills Company, Limited, of Chatham, and president of the Great Western Lands Company, Ltd.

Born at Lloydtown, Ontario, he entered the service of the bank which he afterwards so successfully conducted, at the age of sixteen. Eight years later, in 1891, he was made manager of the branch at Brussels, Ont., and a year later was promoted to a similar post at Chatham. This latter position he filled with succes eleven years, and was then made manag of the head office at Toronto, taking higher office of general manager two y later. Mr. Scholfield, besides his many varied business and financial activ always took an active interest in broader field of public affairs. This particularly noticed after the outbreak the war; he was chairman of the Fina Committee, Speakers' Patriotic League and honorary treasurer of the Recruiting League of Military District No. 2. As young man he was prominent in Canadian athletic affairs, particularly lacrosse which game he was one of the greatest ponents this country ever saw, and this interest was continued in later life in support accorded to various athletic institutions.

HIGH PRICES AND THE DOLLAR'S FUTURE.

New York *Sun*.

In a brief article in the *Financier*, Professor Irving Fisher, the Yale economist, assigns as the two chief causes of the rise in prices the growing scarcity of goods and the growing abundance of money, thus showing how the most learned deductions of the scientific mind may surprisingly corroborate the simple observations and conclusions of the untutored intellect.

Every one has guessed that fewer goods mean higher prices; almost every one knows that the more plentiful money is the less is its purchasing power. Professor Fisher, some years ago, propounded a scheme to stabilize the dollar by virtually increasing its weight from time to time to offset the depreciation of gold. He has had some evidence lately, in the shape of letters from "two prominent bankers," of revived interest in this proposal.

Meanwhile he has constructed a chart which shows that prices parallel closely the increase of money in circulation. Prices in this country are now, he says, about [illegible] per cent. higher than before the war. In all the belligerent countries and most European neutral nations the increase has been much greater. Sweden has gone so far as to prohibit imports of gold through refusal of the State Bank to accept it in payment for its notes at the former legal rate. Professor Fisher remarks that as yet "there is almost no realization in this country that we are suffering from a gold deluge."

In this respect we think he is wrong. We think American bankers quite fully realize the inconveniences and even certain perils of the present situation and that they are anxious to do what they can to safeguard the future. But it is a difficult task; and one of the principal difficulties is to know what to do. On this head Professor Fisher seems to offer only one suggestion, that bank discount rates be kept up and the credit superstructure restricted as much as possible. Excellent, so far as it goes, but more or less a measure of indirection. On the other hand, a sufficient number of indirect and natural restraints would be likely to prove much more efficacious than direct and artificial checks, such as prohibition of gold imports or even the stabilization of the fluctuating dollar. The trouble with these direct schemes is that like Dame Partington, they try to sweep back the ocean, instead of taking advantage of turns of the tide to bulkhead the imperilled beach.

A STOCK EXCHANGE PROBE.

N. Y. *Financial World*.

The Washington investigation by the House of Representatives for the purpose of discovering the source of the "leak" that helped to bring about the stock market smash in December, has broadened out into a probing expedition intended to get a look into the inside machinery of the Stock Exchange. That is the meaning of the determination of the House Committee to hold sessions in New York city. The committee has been supplied with funds to conduct the investigation and the life of the inquiry has been extended 30 days.

Ever since the Pujo Committee investigation of several years ago, when the subject of the inquiry was the alleged "Money Trust," the Stock Exchange authorities have been at pains to remove causes of criticism and prevent abuses. The "washing" of stock and gambling plunging operations by pools have been eliminated, not only because the Exchange authorities have set themselves against it, but because a wholesome public opinion demanded it.

One matter for criticism of a justifiable sort is the almost daily circulation, on the Stock Exchange and off it, of baseless "scares" which are frequently used as the lever for unsettling values, or fancy and exaggerated stories of wonderful prospects of this or that corporation in the way of extra or increased dividends, these latter yarns being availed of to boost values and induce buying of stocks which pools, cliques or individuals desire to get rid of. Now the Stock Exchange does not circulate these reports—they come oftentimes through certain agencies that are highly competitive and which do not always stop to winnow the chaff from the wheat, but give rumors and alleged facts that frequently have no basis. At other times individual plungers or pools succeed in having their pet stories or statements circulated, and it usually happens that the speculative element, nervous and keyed up to a high pitch, as it usually is, accepts these reports for facts and is not enlightened until the real situation is revealed, when it is usually too late to prevent a loss.

It would seem that the Stock Exchange has a duty to perform in that, while exercising no censorship over the news which goes out and which its members utilise and furnish to a host of people, it might bring about a wholesome change for the better if those who supplied the news, or alleged news, were held to a strict accountability for the stories they send out. The truth never hurts, but baseless rumors can and do bring great harm and loss to innocent people. Only recently a story was printed to the effect that the Federal Reserve Board had made another ruling further warning the banks against short-term loans to the Allies. No such ruling had been made, but the announcement was quite disturbing to values.

The Stock Exchange may well court a full inquiry. The trend of public opinion is becoming more insistent on specific performance of open and above board methods in all transactions involving values traded in on the Exchange. A movement begun only this week to agitate for the passage of bills in every state in the Union against so-called "gambling" in futures, especially "futures" in foodstuffs, grain, cotton, etc. shows the trend. The abortive inquiry at Washington, although showing up the Boston mountebank who has been making the most noise as a frenzied fakir, has created enough suspicion to warrant a full probing of conditions generally.

INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of The Financial Post. Many questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose three cents in postage stamps to cover postage on answers direct.

Investing $15,000.

J. F. D., Woodstock.—I am to-day subscribing for *The Financial Post.* I have about $15,000 which I want to invest so as to get the best returns consistent with safety. I would appreciate it very much if you could suggest some good securities and particulars re the same and where I can procure them.

It is difficult to give definite advice without knowing something about your financial position — resources and income—as this has a direct bearing upon the class of securities which it would be advisable for you to buy. However, we believe you would be following a safe course in investing half the amount referred to in Government bonds, which at the present time offer abnormally high returns. Perhaps $4,000 in the new Canadian loan, and $3,500 divided between British and Anglo-French issuse would be the best apportionment. If you could give the further information referred to we would be in a position to offer advise as to the balance of the investment. Your financial standing bears directly upon the question of returns in relation to security. Municipal issues offer attractive returns in relation to their stability, but there are many good industrials offering larger yields. If you already have substantial conservative investments you may be in a position to take larger risks to increase your returns. Some of the principal points to be considered are: Security of principal; stability of income; returns, marketability and value as collateral; tax exemption; duration; denomination, and possibility of appreciation.

Industrial Investments.

J. R., North Bay.—I have invested in the following stocks and bonds and would greatly appreciate your opinion as to their safety. 8 Monarch Knit preferred at 81; 8 Canadian Pacific at 155; 4 William A. Rogers pref., at 90; 2 F. N. Burt preferred at 90; 2 Pacific Burt preferred at 81; 4 Maple Leaf Milling at 96; 1,000 Russian roubles at 2.85. Do you think these stocks will be able to weather the period of readjustment which is expected at the return of peace. Are they stocks that should increase in value after the war? Would you consider the purchase of Tuckett common, Sawyer Massey pref., Dominion Canners pref., Winnipeg Street Railway, Toronto Railway, advisable at present low prices?

Taken altogether the securities which you have purchased may be said to represent a very fair "business man's" investment. All of course are more or less speculative but from anything that can be foreseen at present they should be able to maintain their dividends As to what may come after the war it is difficult to say. Generally speaking there is every reason to believe that good preferred industrial stocks will increase in value. This will be the general effect of an adjustment of the money market to lower levels. At the same time the affairs of individual companies are liable to be affected in the process of readjustment. The industrial stocks you are holding would appear to have a good chance to offset the changes which may occur but it cannot be overlooked that there is an element of uncertainty. Canadian Pacific common and the Russian roubles should, we believe, be held in the face of any decline which may occur in the near future. Canadian Pacific like other transportation companies is facing many problems, the most important of which are labor and the high cost of materials. The Russian roubles have declined below the figure you paid for them but they should eventnally show improvement with that country's trade resuming anything like a normal movement. This is indicated in the strength displayed some time ago when there was talk of peace

Sawyer-Massey preferred appears attractive at the present price. An item regarding this company will be found in the news of securities. Dominion Canners as you will note has already felt the benefit of the improved business conditions to which reference has been made in these columns from time to time. See review of annual report in this issue. Winnipeg Railway and Toronto Railway both have quite evident speculative features. Winnipeg has been showing little improvement of late, and it would seem that it will be necessary to wait an influx of immigration for anything like the old traffic. At Toronto there is the uncertainty of the franchise situation and even though the profits from the subsidiaries may be sufficient to guarantee a continuation of the dividend the whole attitude of the people on the question of public ownership as aroused by the different hydro electric projects is such that public utility companies in the province must view the future with some apprehension. Tucketts common as its price indicates is highly speculative. The spread of prohibition is having the effect of cutting down the profits of cigar manufacturing companies and this movement seems to be spreading rather than otherwise

On the whole it would seem to us that while you have securities quite up to the average in view of their income you are tending towards speculative issues. Of course if you are in a position to do so all is well, but in view of the uncertainty of the times we would suggest that if you have not substantial investments in government or municipal bonds you should give these your attention in order to balance up the industrial securities you already hold.

Ford Tractor.

W. B., Pictou, N.S.—Will you please give me information re the Ford Tractor Company of Minneapolis? Has this tractor been in any of the demonstrations in Canada? Would you consider it a desirable investment as a stock proposition?

Inquiry regarding this company has not yet brought definite information. There are several of these tractor companies, which have been in the development stage at Minneapolis for some time. This may be another proposition of the same interests. So far as the tractor itself is concerned there is no indication of its record in demonstrations which have been held at important points in Canada. From the investment standpoint would advise you to await further developments at least. The fact that it is named the Ford Tractor confuses it with the product of Ford of automobile fame, and this is likely to mislead the investor, whether or not such is intended.

Liability of Wife.

A. J. F., Glencairn.—If a man loses his money and property speculating in land and stocks, and has to make an assignment, how much is his wife liable? Can she claim her third of the home and her dower? Can she claim everything she brought into the home of her own, such as wedding gifts or presents given to herself?

You and your wife are two separate and distinct persons in the eyes of the law. Whatever your wife owns is hers absolutely, just as much so as if you had never married her, and neither you nor your creditors have any claim upon her separate property. She owns everything that she owned when you married her, unless she has made it over to you. She also owns everything that any person (including yourself) may have given her since you were married. No doubt she owns everything in your home, because I have no doubt that whatever you have in your home is there because she wanted it, and she bought it or you bought it for her. They were presents to her, if you bought them, and a man has as much right to make presents to his own wife as he has to make presents to any other person. The only time the law questions the good faith of such gifts is when a man makes gifts to his wife (or any other person) on the eve of his insolvency. Then the law knows that it was done with the intention of defeating the just claims of creditors, and the law will not permit any person to take under such a gift when the creditors are justly entitled to the gift.

A woman has no dower during her husband's lifetime. Dower is a provision which the law makes for the support of widows. It is the right to receive one-third of the income from lands which her husband owned in his own right, free from encumbrance, during the time they were married. If your wife has not barred her dower in any lands which you have thus owned, she will be entitled to her dower in them if she outlives you, but she has no interest in them at present, and your creditors can take them all without her consent. If she does not sign off her dower to your creditors—and there is no reason why she should—she may some day be entitled to it.—W. E. L.

Saskatchewan Loan.

A. H. Manor—Can you give me any information regarding the Saskatchewan Loan and Investment Company?

We are making inquiries with regard to the standing of this company from an investment standpoint and hope to be able to give some definite advice in a short time. The government returns of 1915 do not refer to it.

JAPAN AND THE PACIFIC TRADE

Australian Paper Tells of Aggressive Methods Employed to Get Trade There.

There is given below part of an article that appeared in the Melbourne *Argus* for January 2 under the caption, "Japanese Trade Enterprise and Expansion—Catering for the Market":—

One example out of many will show how closely the Japanese are following these methods [i.e., learning what the buyer wants and then taking pains to supply it.] Hypodermic syringes used to be imported into Australia exclusively from Germany. With the outbreak of war, of course the supply stopped, and there was a great dearth of syringes in Melbourne. A Japanese commercial traveler was asked by a local firm if his countrymen could make the syringe, and he was shown a German one as a sample. The salesman asked for an order and received a trial commission for 100 hypodermic syringes. Before long the syringes were delivered to Melbourne absolutely true to model and, it is said, superior to it in some respects. Larger orders have since been given to the Japanese manufacturer.

Christmas shoppers in Melbourne, found Japanese goods on every hand. There were toys ranging from the crudest kinds to well-made dolls of European feature and complexion. Dolls that would cost 7s. 6d. ($1.85) if of English make were sold in Melbourne during the Christmas season for 4s. 6d. ($1.10). They were made in Japan, but few would have guessed it.

For the manufacture of porcelain and chinaware the Japanese have, of course, long been famous. While maintaining their output of purely Japanese art work, the manufacturers, are now making ornaments of European design, beautifully glazed and prettily decorated with peach blossoms. At a well-known Bourke Street establishment the past few weeks ornaments of tasteful design were sold for 2s. 6d. ($0.60) each. If the vases had been of European manufacture they would probably have cost between 4 and 5 shillings (roughly, $1 and $1.25 each).

The Japanese have been at pains to cater for the Christmas season and apparently have not had the time needed to reach the standard of excellence of which they long ago showed themselves capable in other articles of trade. Standing side by side with bottles of perfume from Paris, and indistinguishable from them except for the words "made in Japan" upon the label, were bottles of perfume distilled from flowers. The perfume was not so sweet as that from France, but it cost only about one-third as much and no doubt would tempt many buyers.

Women's silk stockings and linen underclothing made in Japan are now being sold in large quantities in Melbourne. The material and workmanship are said to be good, though in many cases the sizes of the underclothing are rather small for Australian women. These are faults which the Japanese may be trusted to remedy very soon. Men's linen and cotton underclothing is also being made in Japan for the Australian market, and salesmen in some of the Melbourne shops say they have little underclothing of other kinds to offer.

It is the same with dental and medical instruments and chemicals. Menthol made in Japan is now on this market. Picture post cards, Christmas and New Year cards, antimony ware of excellent workmanship, carved ivory, embroidered silks, household ironmongery, and tools(made in Japan, but of European design) are being imported into Australia in increasing amounts. Thermos flasks of medium quality are also being made by Japan. Even Fox's navy blue serge is being copied, and while inferior to the British article no doubt the quality will improve.

MARGINAL TRADING.

Explanation of the Stock Market System.

The purchase of securities on margin involves the paying of a small portion of the purchase price and borrowing the balance from a broker or banker at interest, explains the *Monthly Review,* issued by Greenshields & Co. The transaction is similar to any commercial transaction on which the bank advances the greatest part of the price of the commodity purchased. The evils of marginal trading lie chiefly in its abuse. The abuse lies mainly in the practice of borrowing too large a proportion of the cost of the securities, so that in the event of a decline in the market value of the securities the margin, that is the money actually put up by the purchaser, becomes exhausted.

The most common margin and the one which was formerly accepted by most commission houses was $10 per share, but in recent years practice has changed, and to-day the more conservative houses, which have an eye to the safety of their clients' capital rather than to their own commissions, demand at least $20 per share on speculative securities and insist that this margin of protection be kept constant.

The reason for this is simply that it has been proven by experience that a margin of $10 per share is not sufficient protection to the trader against the unexpected. It is the unexpected which must be provided against; otherwise trading in securities on margin would be comparatively safe. Unfortunately it is the unexpected which the average trader in securities does not care to think about. As a result, brokers often find that some of their clients tend to purchase as much as they can on a certain deposit, while the broker, if he has his client's interest in view, endeavors to keep him from extending his position. This often leads to dissatisfaction between broker and client.

The broker in endeavoring to restrain his client's purchases to a conservative basis, although sacrificing commissions and gaining nothing of selfish benefit, because his interests are protected in any event, is assisting in maintaining his client's capital. It is an invariable experience that trading on narrow margin leads eventually to loss.

When your broker requests a margin that seems large to you and insists that you keep it intact constantly when the market declines, remember that it is primarily your interest which is being served. Such a broker simply realizes that his interests and yours are the same in the long run.

NEW BUSINESS NOTE IN U.S.

A Unification of Resources and Mobilization of All Energies.

At the dramatic moment, when the United States was shocked out of its dreams of world peace and brought face to face with what seems to be almost the certainty of war, 1,288 business men from every state in the Union were quietly deliberating in annual convention in the City of Washington

"The United States Chamber of Commerce," says the *New York Times,* "fortunately in session at Washington, 'voicing the sentiment of business men of every state of the Union, pleadged themselves solemnly to stand behind him (the President) in patriotic purpose, whatever the eventuality.' "

And the *Washington Post* says that "the insistent theme running through all papers and addresses" of the convention "was the unification of the nation's resources and the mobilizing of every one of its energies in the country's welfare."

Both of these observations recognize the new note in American business, the note of nationalism. Before the advent of the National Chamber, business thought and acted in small units. The change from that old order is almost startling. It is so complete that when the recent crisis in our international relations arose, there was one voice to speak for the business of the country, to tell where it stood. The formulation of national policies is its new ideal.

The New War Loan
On Easy Payments

YOU can secure through us the New War Loan for an initial payment of $10 per $100 bond and regular monthly payments of $5, or more, per $100 bond.

¶ We have helped hundreds to secure the first two loans in this way who otherwise might not have been able to participate. We have helped many to buy more than they otherwise could have.

¶ The services of this organization are also at the disposal of all other investors who desire to secure the safety and high return offered by the Dominion Government Bonds.

¶ Telegraph or telephone at our expense: we will provide you with full official particulars and look after all the details for you without charge.

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STANDARD RELIANCE MORTGAGE CORPORATION
ANNUAL STATEMENT

BALANCE SHEET AS AT DECEMBER 31st, 1916

ASSETS.

Mortgage Loans and Accrued interest	$5,969,896 78	
Real Estate, acquired under foreclosure	212,203 82	
Stocks, Bonds and Debentures, owned	469,419 33	
Loans on Stocks and Bonds	48,261 01	
Sundry Investments	15,133 49	
		$6,714,914 43
Office Premises, Head Office and Branches	$298,063 90	
Office Furniture, do.	5,400 00	
Inspectors' Automobiles (9).	5,750 00	
		309,213 90
Accrued Rentals	$ 2,810 82	
Agents' Balances	2,782 18	
Municipal and Government Bonds, War Loans, etc.	159,723 20	
Cash on Hand and in Banks	200,305 67	
		365,621 87
		$7,389,750 20

LIABILITIES.

To the Public			
Debentures with Accrued Interest			$3,124,107 23
Deposits with Accrued interest	$735,352 96		
Deposit Receipts payable on certain fixed days and upon three months' notice with accrued interest	86,784 64		
		822,137 60	
Mortgages Assumed	$ 39,710 80		
Dividend due Jan. 2, 1917	91,909 93		
		131,620 73	
			$4,077 865 56
To the Shareholders			
Capital Stock subscribed	$2,643,590 00		
Less Unpaid thereon	61,449 11		
		2,582,140 89	
Surplus Funds			
Reserve Fund	$650,000 00		
Contingent Fund	75,000 00		
Loss and Gain Account Balance	4,743 75		
		729,743 75	
Total to the Shareholders			$3,311,884 64
			$7,389,750 20

LOSS AND GAIN ACCOUNT

Interest on Debentures, Deposits, etc.	$170,744 75	Balance forward from December 31, 1915	$ 13,726 18
Government Taxes, including War Tax	10,109 18	Net Earnings after deducting expense of management and making provision for all known losses	386,377 28
Dividends	179,505 78		
Transferred to Reserve Fund	35,000 00		
Balance Carried Forward	4,743 75		
	$400,103 46		$400,103 46

CHAS. BAUCKHAM, Secretary-Treasurer. H. WADDINGTON, Managing Director.

AUDITORS' CERTIFICATE

We have audited the books and accounts of the Standard Reliance Mortgage Corporation for the year ending 31st December, 1916, and have verified the Cash and Bank Balances and Securities, and we hereby certify that in our opinion the above Balance Sheet exhibits a true and correct view of the affairs of the Corporation as shown by its books as of that date. Our requirements as Auditors have been complied with.

A. C. NEFF, F.C.A.
J F. LAWSON, F.C.A. } Chartered Accountants.

The Annual General Meeting of the Shareholders was held at the Head Office of the Corporation, on Monday the fifth day of March. Notwithstanding the adverse weather conditions, a fair number of shareholders were in attendance.

The directors and auditors were all re-elected and a contribution of $2,500 to the Patriotic Fund confirmed. At a meeting of the Board held after the annual meeting Sir MacKenzie Bowell was elected Hon. President, N. H. Stevens, President, W. S. Dinnick and John Firstbrook, Vice-Presidents, E. F. B. Johnston, K.C., Chairman of the Board, and H. Waddington, Managing Director.

COMPARATIVE STATEMENT FOR THE YEARS 1915-16

	1915.	1916.	Increase during 1916.
Assets	$6,732,581.78	$7,389,750.20	$667,168.42
Deposits	605,698.53	822,137.60	216,439.07
Debentures	2,718,825.30	3,124,107.23	405,281.93
Surplus Security (Composed of paid-up capital and reserve funds)	3,272,593.56	3,311,884.64	39,291.08
Net Profits	382,752.93	386,377.28	3,624.35
Mortgage Loans	5,501,663.18	5,969,896.78	468,233.60
Municipal Debentures and Cash	174,028.33	360,028.87	186,000.54

4% interest paid on Current Savings Accounts, Interest calculated on daily balances. 5% interest paid on short term debentures, coupons half-yearly. Principal repayable to suit your convenience.

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NEWS OF THE BOND MARKET

MUNICIPALS HAD BREAK IN PRICE IN FEBRUARY

United States Market Was Affected by the International Situation.

BIDDING FELL OFF SHARPLY

Anticipated That Market Will Soon Begin to Show Improvement and That Prices Will Come Back Rapidly.

Both in Canada and in the United States, February was not a good month for municipal bonds. There was very little buying, with the result that prices eased off considerably. In Canada the situation was influenced both by conditions in the United States and by the impending internal loan. In the United States, the international embroglio had most to do with forcing down prices.

The feature of the break in the municipal market was the action of New York City bonds, reports the Bond Buyer. These issues, often sensitive to developments that have no effect on other city securities, promptly receded to the extent of more than four points, in the case of the 4½'s, on the break with Germany. Then other municipals followed suit. A big block of Rochesters, offered in January on a 3.75 per cent. basis, dropped to a 4 per cent. basis and has been offered through the month to net 3.90 per cent. Buffalos, Newarks, Philadelphias, Chicagos, St. Pauls, Detroits, and other leading municipal bonds were likewise marked down, and even at much lower values offerings of such issues produced but few buyers optimistic enough to view them as bargains.

Bidding Fell Off.

The bidding for new issues fell off sharply and not a few municipalities either received no bids or rejected those submitted as too low for consideration. Indicative of the condition of the market are the following results of bond sales negotiated during the month:—

Feb.		Issue.	Basis.
6—	$ 112,000	Cape May Co., N.J.	4.28 %
7—	600,000	Cuyahoga Co., O. ..	4.27 %
7—	4,024,000	Massachusetts	3.885%
10—	1,066,000	Detroit, Mich.	3.924%
10—	250,000	Jacksonville, Fla. .	4.289%
15—	559,500	Omaha, Neb.	4.26 %
19—	500,000	Cleveland, O. (Sc'l)	4.22 %
19—	300,000	Cumberland, Md. ..	4.22 %
21—	401,590	Flint, Mich.	4.21 %
23—	84,700	Batavia, N.Y.	4.39 %
27—	75,000	Syracuse, N.Y.	3.98 %

The action of the city of New York in calling for bids for $15,000,000 it desired to borrow for a few months through the issue of corporate stock notes and revenue bills was an interesting incident occurring on the 26th instant. Without precedent and with some surprise, we imagine, the comptroller asked a number of bankers to bid for the city's paper. The result, a 3.75 per cent. basis for a 3 months' accommodation and from this rate down to a 3.12 per cent. basis for a 2 months' loan, was not considered especially attractive. Only $8,000,000 of the total $15,000,000 notes intended to be sold were issued.

Improvement Sets In.

As the month proceeded, the municipal man became generally more cheerful over the outlook. It seems to be felt now that the financial situation must clear up before much longer and as soon as this happens municipals will "come back" strong and fast. It is at least certain that there is a vast accumulation of idle money to be absorbed and, with city bonds now at prices that return a more attractive rate than they have in six or eight months, business, when it does commence, should be brisk.

A Comparison.

Using the bonds of twenty large cities, the average net income basis at prices ruling at present compares as follows with the average immediately following our break with Germany and with the average at several other periods:—

1901 (yearly average)	3.10%
1905 (yearly average)	3.48%
1913 (yearly average)	4.45%
1915 (January)	4.26%
1916 (January)	4.08%
1917 (January)	3.89%
1917 (February 5)	4.06%
1917 (March 1)	4.03%

Municipal bond quotations to-day can best be described as being purely nominal. Bid and asked prices are far apart. Dealers are maintaining their prices, but the volume of business transacted has been unusually small.

Features of the Week

Preparations for selling the new war loan are absorbing the attention of bond dealers so completely that they have been giving no thought to other business. As a matter of fact, there is no other business at present. Apart from a few small Western schools, no issues appear to have been placed and where one town did attempt to sell an issue, it found the response so poor that all offers for its bonds were declined. Municipalities are wise enough to hold off for the present, though those that come into the market immediately after the war loan subscription books close are likely to find a good reception for their offerings.

ALBERTA SCHOOLS.

Recent Sale by Education Department Brings Good Price.

The result of the sale of school district debentures by the Debenture Branch of the Alberta Department of Education has been announced. Cloverleaf S.D., $1,200, 7 per cent., 10-instalment bonds, were awarded to W. L. McKinnon & Co., at 104.10. Millerfield S.D., $1,000, 7 per cent., 10-instalments, went to the same firm at the same price. The remaining issues, consisting of Owlseyes Lake, $500; Dunn Lake, $1,100; Lathom, $1,200; Crystal Creek, $1,200; Richdale, $1,700, went to W. Ross Alger & Co., Edmonton, at 103.38.

ALBERTA FINANCES.

Deficit This Year in Current Revenues Owing to Poor Collections.

In the Alberta Legislature this week, the Hon. C. R. Mitchell, Provincial Treasurer, presented his annual budget. He reviewed in detail the financial condition of the province. He referred to the great agricultural prosperity of the past year in Alberta. He estimated the present total indebtedness of the province at $28,637,535. Against this there were assets, accepted on the basis of the usual securities of $126,674,889. At the end of the year 1916 the province closed its books with a balance of $678,506, which included borrowings on capital expenditure.

Dealing with the current revenues, he stated that there was an actual deficiency which arose from wild lands taxes, school lands, etc., not collected, which amounts to $778,000. Had these collections been forced by the Provincial and Dominion Governments, there would have been an actual surplus this year, he said, of some $43,000.

Speaking of the administration of the Telephone Department, he said it now had an accumulated cash surplus of $376,000.

Coming to the present year. Hon. Mr. Mitchell said he estimated a surplus of $227,000 for 1917.

HAMILTON.

Private Bills Committee Will Allow City to Issue $74,000 Bonds.

The Private Bills Committee of the Ontario Legislature has reported favorably on the Hamilton Bill, asking for power to issue debentures for $74,000 without the assent of the electors for the following purposes: The purchase and equipment of playgrounds, $11,000; cover overdraft for relief of unemployed, $10,000; expenditures in connection with overseas forces in 1915, $8,300; sewer and disposal work, $4,800, overdraft; acquiring of city coal yard, $20,000; for construction of Dundurn bathing beach and subway under G. T. R. tracks, $25,000. There were two other clauses in the bill, one for the establishing of municipal food and fuel depots at a cost of $250,000, which was struck out, as there is already a public bill covering this, and a clause for the providing of a fund for the aid of the mothers, widows, children, aged or infirm parents, besides the sweethearts, of any men who are killed at the front. The idea is that $1,000 should be paid in the case of a married man and $500 in the case of a single man.

H. O'Hara & Co. announce that they have been awarded the following Manitoba school district issues: Wildwood Consolidated S.D, No. 135. $16,000, 6 per cent., 20-instalments; Falsendorf S.D., $1,400, 7 per cent., 10-instalments; Ebb and Flow S.D., $800, 7 per cent., 15-instalments; Bluebell S.D., $1,500, 7 per cent., 15-instalments, and Asquith S.D., $1,500, 7 per cent., 10-instalments.

PROVINCES WILL SELL BONDS TO THEIR CITIZENS

Manitoba and Alberta Both Announce Scheme to Raise Money Locally.

ISSUE DEPOSIT CERTIFICATES

Hope By This Means That Provincial Debts Will Ultimately Be Controlled Locally.

Both the province of Manitoba and the province of Alberta will attempt to sell their securities to local investors. In the Manitoba Legislature Premier Norris, in winding up the debate on the rural credits bill last week, stated the provincial treasurer would shortly offer Manitoba government bonds of $100 or more at 5 per cent. for people of the province to buy instead of putting their money away in savings banks at 3 per cent. He would also offer $100 deposit certificates payable at sight, bearing 4 per cent. interest. He was convinced that by purchasing provincial bonds the people of Manitoba themselves would soon control their provincial debt, holding it in the province itself, just as the farmers under the Farm Loans Act would ultimately control the administration of the Farm Loans association themselves.

In the Alberta legislature, on March 1, a bill was introduced by Hon. C. R. Mitchell, Provincial Treasurer, to provide for the issue to residents of the Province of certificates of deposit or securities payable on demand. The securities will bear interest at the rate of 5 per cent., compounded half yearly, and may be issued in an aggregate amount not greater than the outstanding deferred revenues of the Province as they appear at the end of the preceding fiscal year, the arrears of revenue as they are from time to time being allocated to a special account to be applied for the retirement of the certificates.

THE U.S. MARKET.

International Relation During February Caused a Slump.

The United States bond business in February suffered from the uncertainty attending the breaking off of diplomatic relations with Germany. As an immediate result of this development, bonds declined sharply in market value. Municipals, not as easily affected as other classes of securities, reflected the sudden cessation of investment buying on the part of both institutions and individuals and the falling off in the bidding for new issues offered at public sale by municipalities.

Notwithstanding the adverse condition of the investment market, says *The Daily Bond Buyer* of New York, new municipal bonds amounting to a par value of $22,450,950 were sold last month. Prices realized for these securities were, of course, below those paid in December or January, but there was no difficulty experienced by countries and cities in selling their issues at ruling values.

Here is a comparison, compiled by *The Daily Bond Buyer* of New York of the sales of long term American municipal bonds sold in the month of February and the two months period ending February 28th for ten years.

	February	Two Months
1917	$22,450,950	$ 64,004,[illegible]
1916	35,915,303	87,228,[illegible]
1915	39,610,067	70,976,[illegible]
1914	26,870,680	111,077,[illegible]
1913	21,102,868	64,038,[illegible]
1912	30,837,312	57,334,[illegible]
1911	21,677,661	106,232,[illegible]
1910	17,626,556	29,638,[illegible]
1909	22,293,536	54,960,[illegible]
1908	62,343,582	72,500,[illegible]

TAXATION PROPOSED.

Windsor Citizen Advocates a Provincial Poll Tax for Patriotic Purposes.

Windsor's patriotic civic committee has decided to ask the City Council to add three mills to this year's tax rate for patriotic purposes. The city plans to raise $150,000 and a three-mill rate would bring in $69,000 of this amount. The balance would be raised by popular subscriptions.

At the meeting of the committee, E. G. Henderson, president of the Canadian Salt Co., and former president of the Canadian Manufacturers' Association made an address in which he urged the necessity for every person in the country being made personally responsible for at least a portion of the cost of Canada's part in the war. Mr. Henderson proposed a resolution which was adopted, asking Provincial Government to so amend the Municipal Act, or pass other similar legislation, as would compel "all wage earners, of both sexes, and unmarried, from 18 years old and up to pay a poll tax annually, the the money so raised to go towards maintenance of solders' dependents in the Province of Ontario"

A BIG PROFIT.

Montreal Hopes to Make $4,710,000 by Conversion Scheme.

The Montreal City Council has approved the recommendation of the Board of Control to increase the amount of the civic debentures to be redeemed in England, as suggested by J. P. Morgan & Co., and approved by the Bank of Montreal. The controllers resolved to authorize a further redemption of $23,000,000, in addition to the $10,000,000 already approved by the board. On account of the prevailing war conditions in England, where so many desire to convert their holdings into cash, and the existing rates of exchange, the corporation of Montreal, by redeeming its securities in London, and re-selling in New York, can make a profit of $4,710,000.

The town of Simcoe, which had an issue of $44,840 bonds up for sale by tender on March 1, refused all offers.

TENDERS WANTED.

Cochrane, Ontario

$40,000 Guaranteed Debentures

SEALED tenders will be received up to and including the 20th day of March, 1917, for an issue of $40,000 Town of Cochrane debentures. Particulars of the issue are as follows:

Amount of issue, $40,000, bearing interest at the rate of 5% per annum, with coupons attached for the payment of the interest; interest and principal repayable in equal annual payments over a period of 30 years. Debentures guaranteed by the Province of Ontario; purpose of issue, to make good fire losses, viz., sidewalks, waterworks plant, etc.

The highest or any tender not necessarily accepted. All tenders to be marked and addressed to the undersigned.

H. J. BROWN,
Town Treasurer.

Cochrane, Ont., Feb. 20, 1917.

NEW WAR LOAN

We respectfully invite you to subscribe through our office, and assure you our facilities for handling this business are not surpassed. Official circular and application form sent on request. Telephone Main 6684.

R. C. MATTHEWS & CO.

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New Canadian
WAR LOAN

We offer our services for the purchase of the New Dominion War Loan Bonds.

Individual attention will gladly be given to applications, without charge.

Official prospectus to be issued March 12th, will be sent on request.

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accepts funds for investment in selected first mortgages and gives its own Guarantee of repayment of principal and interest. This guarantee provides all the essentials of a high-class investment—good interest return, absolute promptness of payment and security of principal.

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One of the best AUTHORIZED investments for TRUST FUNDS is our

5% DEBENTURE

Ask for Booklet "About Debentures"

Paid-Up Capital $2,410,925.31
Reserve - - 685,902.02
Assets - - 7,426,971.18

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VICTORIA REGINA CALGARY
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Canada Permanent Mortgage Corporation

QUARTERLY DIVIDEND

Notice is hereby given that a Dividend of TWO and ONE-HALF PER CENT. for the current quarter, being at the rate of

Ten Per Cent Per Annum

on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

Monday, the Second Day of April

next, to Shareholders of record at the close of business on the Fifteenth day of March.

By order of the Board.

GEO. H. SMITH,
Secretary.

Toronto, February 28, 1917.

FIELD OF MUNICIPAL FINANCE

SHORTAGE OF THREE MILLIONS SHOWN BY B.C.

Public Accounts Presented at First Session of New Legislature.

REVENUE FROM TIMBER

Immense Bond Issues Guaranteed by the Province on Account of Railway Construction and Development.

The public accounts for the Province of British Columbia were presented at the first session last week of the new Legislature. The figures which are given for the fiscal year ending March 31, 1916, show a shortage of some $3,588,968 on the year's operations, when the receipts were $6,291,693, and the expenditures $9,880,662. For the preceding year the receipts and expenditures were $7,974,496 and $11,942,667, respectively.

The statement shows an excess of $14,782,616 of liabilities over assets. It should be mentioned, however, that the assets as listed, merely cover money in the bank, and loans made to co-operative concerns. The assets owned by the Government, such as lands, public buildings, etc., are not shown. The chief source of revenue during the year was $1,477,000 in timber royalties and licenses, while in the matter of expenditures, $2,063,000 was spent in roads, bridges, streets and wharves, $1,555,000 in civil Government salaries, $1,325,000 in education, and $779,000 in interest charges.

Under the loan act of 1915, the Government borrowed $3,130,000, of which $2,700,000 was paid out in the redemption of treasury certificates. The province is responsible for the following bond guarantees: Canadian Northern Pacific, $47,975,000; Pacific Great Eastern Railway, $20,160,000; Nakusp and Slocan Railway, $647,000, and to the Greater Vancouver Joint Sewerage and Drainage Board, $5,000,000, making a total of $73,782,000. The province is also liable for a further sum as a subsidy promised the Kettle Valley Railway. The new Government has had a firm of chartered accountants on the books for some time. Their report will be available shortly.

WAR LOAN POSSIBILITIES.

Bonds Likely to go to High Premium Over Their Issue Price.

An Ottawa despatch this week, evidently inspired by the Department of Finance, says:—

"An important feature of the forthcoming war loan is that it will be of long date maturity, probably twenty years. This is the class of Government loan which is most attractive to investors on account of its likelihood, and indeed certainty, to go to a substantial premium over par after the close of the war when interest rates again become normal.

"Before the war the Dominion Government borrowed money at four per cent. On this basis a ten-year, five per cent. issue would sell at 108.18, a fifteen-year five per cent. issue at 111.20, and a twenty-year five per cent. issue at 113.68.

"On a 4½ per cent. interest basis the prices would be for a ten-year five per cent. bond 103.99, for a fifteen-year five per cent. bond 105.41, and for a twenty-year five per cent. bond 106.55. On a five per cent. interest basis the price would of course be par.

"This shows that all the long date issues of the Dominion Government are likely to go to a high premium over their issue price after the war. t is thought probable here that the future financing of the Dominion will be by shorter date issue, so as to save high interest charges over a long period of years."

LOSES HIS CLAIM.

Agent for Bond House Sues Former Employers for Commission.

A case of considerable interest to bond dealers and financial men generally, was decided in the Superior Court recently, when Mr. Justice Mercier dismissed the action of Joseph F. Boulais, who claimed the sum of $7,000 from N. B. Stark & Co., for services alleged to have been rendered to defendants in regard to the purchase of $350,000 worth of six per cent., forty-year bonds, issued by the municipality of Montreal East.

The plaintiff contended that he had acted on behalf of the defendant as a result of instructions which he had received first from N. B. Stark, in October, 1914. He also stated that E. Poirier, notary, acting for others, first offered to purchase the whole bond issue at the rate of $83 per $100 par value. After considerable negotiations by plaintiff, Mr. Stark sanctioned an offer on behalf of his firm at $85. Before this offer was actually made to the municipality, Mr. Poirier had renewed his bid, and the Town Council agreed to accept it "if a more advantageous offer were not received within forty-eight hours," to expire at noon on November 7, 1914."

The plaintiff asserted that this condition had been inserted at his instigation, and in the interests of Stark & Co. The defendants agreed to offer 85 for the bonds, but the plaintiff took it upon himself to lower the bid to 83. This was also in the interests of the defendant firm. Mr. Stark, according to Mr. Boulais, was pleased at this and promised to give the defendant one-half of the amount saved by his foresight. This was in addition to the ordinary commission of $3,500, making $7,000 in all, the total amount claimed in the action. Unfortunately the offer was turned down by the municipality, and Poirier's offer of 80 was accepted. On November 14, the plaintiff was informed by the defendants that they were no longer interested in the bonds of Montreal East. Later on, however, the defendants purchased the bonds, getting $250,000 worth from L. J. Gauthier at 84, and $100,000 worth from Gervais Decarie, representing Alfred Labelle, at 88.

The defence contended that the agreement between the plaintiff and the defendants terminated when the defendants' tender was rejected by the municipality, and that as the commission was payable conditionally on the plaintiff succeeding in his efforts to acquire the bonds, therefore he had no claim against the defendants.

This view was concurred in by Mr. Justice Mercier, who pointed out that it was a sine qua non that the offer Boulais had to make on behalf of the defendants should be delivered to the municipality at noon on November 7, 1914. The plaintiff had taken the original tender to his office to make the change in the price, and as a result the offer was too late, and was refused. His Lordship also held that the commission was conditional upon the tender being accepted. The fact that the defendants subsequently purchased the bonds had no bearing on the case, as this was entirely a new transaction. The action was dismissed with costs.

PROGRESS IN RUSSIA.

Samuel Hill Sees Closer Relations With Canada and U. S.

Samuel Hill, son-in-law of the late James J. Hill, was at Victoria recently with Nicholas P. Melnikov, member of the Russian Cabinet, and the Rev. Vladimir Alexandrreff, head of the Russian Church on the Pacific Coast, with headquarters at San Francisco, the two latter being on their way to Russia, Mr. Melnikov having been on a business errand for his Government in New York and other leading cities of North America. Mr. Hill said:

"The future will see the United States, Canada and Russia most closely allied in a commercial sense. Russia is going ahead at a remarkable pace. Sixteen years ago I examined the Trans-Siberian line for the French Government, and I have been going back to Russia every few years.

"Acre for acre, I believe, the land through which that line runs is better than that between Vancouver and Winnipeg, because in addition to the fertile soil there are great resources in timber. Russia produces every article of commerce and her climate is most varied, from Bessarabia, in the South, where the climate is like that of California, to the temperate regions of the north.

"Personally, I am a great admirer of the Russians, and it was with the idea of drawing the two countries more closely together that I established a chair of Russian language at the University of Washington, and brought Miss Simeon from Petrograd to occupy it. I am forwarding to Petrograd a quantity of road-building machinery and material to be used in connection with an educational campaign there for good roads."

Mr. Hill said that Canada's sacrifice in the war had given her a new sense of nationhood and a front place in the plans of the commercial world after the war.

Melfort, Sask., has passed a by-law reducing the rate for business phones from $30 to $26 per annum, same to go into effect on April 1

York County anticipates spending $12,000 for roadway maintenance and $43,500 for new road work during the coming season.

Brockville's tax rate has been fixed at 30½ mills, an incdease of one mill over last year.

Money By-laws

Those investors who wish to keep in touch with the municipal bond market will find this department useful. It aims to be accurate and convenient. THE FINANCIAL POST makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of contemplated bond issues.

TENDERS WANTED.

March 20, Cochrane.—$40,000, 5 per cent., 30-instalment bonds of the town of Cochrane, guaranteed by the Province of Ontario, and issued to make good fire losses. H. J. Brown, Town Treasurer, Cochrane. (See advertisement page 12.)

BY-LAWS PASSED OR DEFEATED.

Mimico.—$30,000 to pay for the installation of local improvements, passed at special meeting of council, March 5.

Montreal.—A by-law was adopted by the city council last week authorizing the raising of a loan of $4,000,000 in anticipation of the 1917 revenue.

Preston.—$75,000 guarantee of bonds to the Preston Car & Coach Co., passed by the ratepayers on March 5, by 464 to 49.

By-Laws to be Voted On.

March 12, Cobourg.—$10,000 loan to the Cobourg Felt Company. Bonds to be 5½ per cent., 10-instalment.

DEBENTURE NOTES.

Vancouver.—The city council has decided to buy up $700 worth of local improvement debentures, due 1923, at 93. The bonds are 4½ per cent. Sinking fund money will be employed in making the purchase.

Montreal.—The Board of Catholic School Commissioners has granted permission to the St. Jean Baptiste School Commission to issue $275,000 debentures to erect a school on Berri Street and Chateaubriand avenue.

Sandwich West. Tp.—$40,000 to aid in the construction of the drainage. Passed by township council, February 17.

Chatham.—City Treasurer Fleming is filling orders for Chatham debentures almost daily. He says that the demand locally is good and that the debentures still on hand will, he believes, be sold to Chatham investors within a comparatively short time. He is well pleased with the way the local investors have taken the Chatham debentures.

SASKATCHEWAN.

The following is a list of debenture applications granted by the Local Government Board from February 26th to March 2nd:—

School Districts.—Wyle, $1,600; Hughesvale, $1,600; Podole, $1,000; Jutland, $1,800.

Rural Telephone Companies.—Maryfield, $1,100.

The following is a list of debentures reported sold from February 26th to March 2nd, 1917:—

School Districts.—Airedale, $1,200, Kerr, Flemming & Co.; Sturgeon Valley, $1,600, W. L. McKinnon & Co.; Briercrest, $2,500, W. L. McKinnon & Co.

Rural Telephone Companies.—Rockhaven, $1,800, H. O'Hara & Co.; Hawarden, $4,300, W. L. McKinnon & Co.

Villages.—Hughton, $3,000, W. L. McKinnon & Co.

BOND SALES.

$10,000 Canada Bread at 93½ to 93; $3,700 Canada Cement at 97 to 96½; $14,200 Cedar Rapids at 91 to 90; $5,000 Dominion Coal at 94½; $300 Dominion Cotton at 99; $18,000 Dominion Iron at 87½ to 87; $3,300 Montreal Power at 93; $4,000 Montreal Trams debs. at 75; $500 National Breweries at 80; $4,000 Riordon at 97; $2,000 Quebec Ry. at 67; $6,100 Wayagamack at 87; $64,600 War Loan at 97¾ to 96¾; $56,900 New War Loan at 97 to 96.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES.

Date.	Place, Purpose and Purchaser.	Rate.	Term.	Amount.	Price.
Feb. 27—	Cloverleaf, S.D., Alta., McKinnon	7%	10-ins.	$ 1,200	104.10
Feb. 27—	Millerfield, S.D., Alta., McKinnon	7%	10-ins.	1,000	104.10
Feb. 27—	Alberta School, misc., Alger	7%	10-ins.	5,700	103.38
March 7—	Wildwood Con., S.D., Man., O'Hara ...	6%	20-ins.	16,000	......
March 7—	Manitoba Schools, O'Hara — Co.	7%	10-ins.	5,200	......
	Total			$29,100	

Credit-Canada, Limitée

Government, Municipal and School Bonds

President. Hon. H. B. Rainville
Managers } E. A. Ouimet
F. Saint-Pierre

179 St. James Street, Montreal, Canada

NEW WAR LOAN

You are asked to lend your Country money necessary to carry on the War. It is your plain duty to respond to the fullest extent of your resources, and for so doing you will receive a very ample remuneration.

Applications entrusted to us will receive our best attention, and all details in connection with the issue of the Definitive Bonds will be arranged without trouble or expense to the subscribers.

H. O'HARA & CO.
MEMBERS TORONTO STOCK EXCHANGE
ROYAL BANK BUILDING TORONTO

A SAFE AND CONVENIENT PLACE TO KEEP WAR BONDS

They will be in perfect safety and convenient of access any time during business hours, if you keep them in

A Safety Deposit Box

Our Safety Deposit Vaults are among the strongest on the continent, and besides each box can only be opened by the renter or his deputy. Boxes are $3 per year and upward.

THE TORONTO GENERAL TRUSTS CORPORATION

FEATHERSTON OSLER, K.C., D.C.L., President.
Hamilton Cassels, K.C., LL.D., Vice-Pres.
Sir John M. Gibson, K.C.M.G., LL.D., Vice-Pres.
A. D. Langmuir, General Manager. W. G. Watson, Asst. General Manager.
Toronto Ottawa Winnipeg Saskatoon Vancouver

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FILE

Stop Forgetting!

You can do this in your office if you make use of one of these Macey Desk Files.

Ask your Furniture Dealer about them or write us direct.

CANADA FURNITURE MANUFACTURERS
LIMITED
WOODSTOCK, ONT.

Liberal Dividends Make Low Life Premiums

A low expense ratio; a high interest rate; permanent business; safe investments; favorable mortality — these are the features in the experience of a company that make for big dividends. No one factor alone will produce large profits, but the Mutual Life of Canada has all the combined profit-earning features enumerated above, so that there is no compensating loss. It follows that a prospective policyholder who knows the Mutual of Canada, will choose that company, and a prospective life insurance agent, if he is wise, will seek an engagement with the same company.

THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA
WATERLOO ONTARIO
ASSURANCES $109,645,581 ASSETS $29,361,963 SURPLUS $4,595,151

British Colonial Fire Insurance Co.
2 Place d'Armes, Montreal
AGENTS WANTED IN UNREPRESENTED DISTRICTS

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, MAN.

SURPLUS TO POLICYHOLDERS, $1,820,752.82

A Canadian Company Investing its Funds in Canada

APPLICATION FOR AGENCIES INVITED.

Prosperous and Progressive

Up-to-date business methods, backed by an unbroken record of fair-dealing with its policyholders, have achieved for the Sun Life of Canada a phenomenal growth.

More than 166,000 of its policies are now in force for assurances, totalling over $265,000,000—much the largest amount carried by any Canadian life company.

Sun Life of Canada Policies are safe and profitable Policies to buy.

SUN LIFE ASSURANCE
COMPANY OF CANADA
HEAD OFFICE—MONTREAL

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for MARCH

Sir Gilbert Parker
Robert W. Service
Stephen Leacock
Alan Sullivan
Agnes C. Laut
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Erman J. Ridgeway
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BE thankful that Canada has a maazine of BIG Calibre. A magazine fit to be placed alongside the best British and American magazines—by the test of those who contribute to it regularly and of ideals.

MACLEAN'S MAGAZINE carries world-famous names in its list of contributors—writers who have an open sesame to any magazine, yet writers that some magazines cannot get; because they fail to measure up to a standard set. Not every or any magazine can have the work of Sir Gilbert Parker, Miss Laut, Stephen Leacock, Arthur Stringer, Arthur E. McFarlane, L. M. Montgomery, Nellie McClung, Robert W. Service, Alan Sullivan, and others whose names are familiar to readers of MACLEAN'S MAGAZINE.

MACLEAN'S MAGAZINE is favored by these fine and high-priced writers because they are Canadian-born or bred and because they are genuinely interested in seeing the land of their birth or adoption have a magazine worthy of the land of their love and of their work and fame. **And they have found this magazine in MACLEAN'S.** MacLean's gives them access to the readership they desire to reach—the men and women of culture and position, of real love for Canada and in earnest to see its nationality enlarge and its destiny advanced.

And so we feel that we have a right to ask you to give MACLEAN'S MAGAZINE a first place in your favor. **It is truly Canadian,** doing a needed service for Canada, and doing this worthily. Doing all that it is doing at a heavy present cost, looking to the future for its larger reward.

You can show your appreciation of what the publishers of MACLEAN'S MAGAZINE are doing by making MACLEAN'S an elect magazine among all magazines enjoying your favor, and by making it better known to others who have your spirit—your sense of Canadian nationality, your purpose to advance Canada in all right and high ways.

At All News-Agents
Fifteen Cents

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JORDAN IS A HARD ROAD. Serial by Sir Gilbert Parker.
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NATIONAL POLICIES—How they are formulated and exploited by Parties and Cabinets. By H. F. Gadsby.
PROSPECTS FOR PEACE AND PEACE'S PROBLEMS. By Agnes C. Laut. A stirring and thought-provoking article by this wonderful woman writer with a statesman's mind.
MRS. HAYTER REED—the woman who is responsible for the decorative schemes of the big C.P.R. hotels. By Madge MacBeth.
H. C. BREWSTER—Premier of British Columbia. By Norman Lambert. A timely sketch of a man of interest to all Canadians.
THE REVIEW OF REVIEWS Department condenses for busy readers the cream of the best things appearing in the current magazines of the world. So MACLEAN'S becomes many magazines in one.
THE BUSINESS OUTLOOK and INFORMATION FOR INVESTORS are two features of MACLEAN'S greatly liked and esteemed by many o' its readers.

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Price $1.25—Post paid
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HEATON'S AGENCY, 32 Church St., TORONTO

INVESTORS' INSURANCE NOTES

BROKER'S POWER TO REPLACE POLICY QUESTIONED

Interesting Case in New York Affecting a Canadian Firm.

RUSSIAN INSURANCE CO.

Fire Occurs Before Policy is Returned to the Brokers and Claim is Made Under Its Provisions.

The trial of an interesting case has just been concluded before Mr. Justice Ford and a jury, in Part XVII. of the Supreme Court in New York, involving the power of a broker, of his own volition, to effect a cancellation of a policy in a company with which he was dissatisfied, and replace in another. The action was brought by A. Davis & Son, Ltd., of Kingston, Ontario, Canada, tanners, to recover under a policy issued by the Russian Transport & Insurance Company of Russia, in the city of New York, through Douglas Brothers, claiming to have an office at 123 William street, New York city, which policy covered the plaintiff's property at Kingston. The Russian Transport & Insurance Company was not admitted to do business in the State of New York.

Brokers for A. Davis & Son, Ltd., learned of conditions affecting the Russian Transport & Insurance Company, secured policies to replace the Russian Transport policy, and then communicated with the Canadian brokers, advising them of what had been done in New York, and asking for a return of the Russian policy. Before the communication just referred to reached the Canadian brokers representing A. Davis & Son, Ltd., the fire occurred, and on the adjustment of the loss the other companies insisted upon both the Russian policy and the two others that were taken out to replace it, participating in the loss, and all three policies were held to be binding insurance.

No Authority.

On the trial it was contended on behalf of the assured that the New York brokers had no authority, without the express consent of the assured, in whose hands the Russian policy then was, to surrender it or effect a cancellation thereof other than under the usual five days' notice and return of the unearned premium, and also that the two policies secured by the brokers in New York with the intention of replacing the Russian policy, should be treated merely as additional insurance.

Mr. Folsom, of Foster & Folsom, when called as a witness, testified that he was the president of Douglas Bros., through whom the policy had been issued as "correspondent" of the Russian Transport & Insurance Company, and that the last-named company was not admitted to do business in New York State. He also admitted under examination that he was familiar with the Sedden case which involved the liability of persons issuing policies in New York in unauthorized companies, although on property without the state. At the close of the case, Wendell P. Barker, representing the Russian Transport & Insurance Company, made a motion asking that the court direct a verdict for the defendant, and the court did so.

Questions Raised.

William B. Ellison, who appeared for the plaintiff, asked the court to submit to the jury a number of questions which he claimed were questions of fact, properly submissible to the jury, and the decision of which by the court would act as a usurpation of the functions of the jury. These questions involved the power of the brokers to replace or effect a surrender of the Russian policy then in the possession of the assured, without his consent, and furthermore, whether the mailing of proofs-of-loss by registered mail, postpaid, in a sealed wrapper, nineteen days before the expiration of the sixty days after the fire, with the return card on the envelope, to the home office of the company at Russia, together with the mailing of a duplicate proof-of-loss addressed to the Russian Transport & Insurance Company in care of the brokers, both concerns having their offices in the same building, was not a substantial compliance with the policy, in view of the further fact that the proofs thus sent to the home office were never returned, nor was there any evidence given that they were not actually received.

Court's Decision.

The court, however, held that the acquiescence of the Davis company in the participation of the two replacing policies was in effect a ratification of the acts of the brokers and effected a cancellation of the Russian policy. And the court also held that notwithstanding the fact that the Russian Transport & Insurance Company policy contained no address in New York State of its own, or of its correspondent's, the obligation still rested upon the assured to get actually into the possession of the Russian company the proofs of loss within sixty days.

The case will be appealed.

DIRECTORS AS AGENTS.

Practice is Deprecated at Meeting of Mutual Fire Underwriters.

Speaking at the annual meeting of the Mutual Fire Underwriters' Association of Ontario last week, W. J. Vale, deputy fire marshal, deprecated the practice of some mutual companies of permitting their directors to act as agents. He threatened to have legislation introduced prohibiting this practice, if the companies did not discontinue it. He hoped, however, that they would act voluntarily in the matter.

Mr. Vale also stated that he believed no mutual fire insurance company should carry more than a $3,000 risk on one property.

NO NEW LEGISLATION.

Investigation in Ontario Not Nearly Completed Yet.

There will be no fire insurance legislation at the present session of the Provincial Parliament. Commissioner Masten, who has been investigating conditions for the Government toward the end of an improved statute, has still "an enormous task before him." He cannot possibly conclude his work before next year.

This was the news that Provincial Fire Marshal E. P. Heaton imparted to the annual convention of the Mutual Fire Underwriters' Association of Ontario at its annual convention last week. Most of his vigorous speech was devoted to combating the view he confessed he knew was largely held by the insurance men that the large number of barn fires during the past year were due to incendiary work by alien enemies and German sympathizers, and arguing that they were really the result of "spontaneous combustion."

In all, 8,900 fires had been reported in Ontario during the past year. These entailed a total loss of over $12,000,000. This was the highest fire waste touched by the Province since 1904, the year of the great Toronto conflagration. It was significant that the State of Ohio, with double the population of Ontario, had only experienced 6,042 fires, with a total loss of $7,376,000.

The enormous number of barn fires during 1915 and 1916 had given rise to a general suspicion that they were of enemy origin. There was no evidence to support this belief, beyond the fact that a huge percentage were ascribed to unknown causes. Mr. Heaton found, through the investigations of his officers, that practically all the barns so destroyed had no proper ventilating system.

B. C. PERMANENT.

Satisfaction Expressed by Shareholders at Annual Meeting.

The annual meeting of the B. C. Permanent Loan Company was held in the head offices of the company in Vancouver on the 28th of February, when the balance sheet for the year was presented to a large representation of the shareholders. The profit and loss account, as previously reviewed, showed total income for the year of $217,726, as against $232,947 for 1915.

The shareholders expressed themselves as well satisfied at the progress made by the company during the year and voted a sum of $1,000 to the Canadian Patriotic Fund. The following Board of Directors was elected for the current year:—Dr. D. H. Wilson, president; W. H. Malkin, vice-president; C. Spencer, Geo. Martin, A. H. Douglas, R. J. Robertson and Robert Gelletly.

SUN LIFE HELD ANNUAL MEETING TUESDAY

Reference Made to Investments in Securities of Canada and the Allies.

PROFITS WERE MAINTAINED

Death Claims Were Much Lower Than Those Predicted by the Mortality Tables and Surplus Earnings Augmented.

The annual meeting of the Sun Life Assurance Company of Canada took place on Tuesday afternoon at the company's head office, Montreal, when the directors' report of operations for 1916 was adopted.

The president, T. B. Macaulay, who occupied the chair, referred briefly to the excellent record which the company had achieved during 1916, the result secured setting new high marks all along the line for any Canadian company. Mr. Macaulay then moved the adoption of the report, seconded by the vice-president, S. H. Ewing, and the report was unanimously accepted. The directors and officers are as follows:—T. B. Macaulay, F.I.A., F.A.S., president and managing director; S. H. Ewing, vice-president; William M. Birks, Geo. E. Drummond, Charles S. Hosmer, Hon. Raoul Dandurand, H. Warren K. Hale, Abner Kingman, John McKergow, J. Redpath Dougall, Sir Herbert S. Holt, H. R. Macaulay, M.D.

Investments.

The president, in his report, says: "Exceptional opportunities have been afforded for investment in the securities of our Dominion, of the Mother Country, and of our Allies. Such investments have appealed to your directors from the standpoint both of patriotism and of financial advantage to our policyholders, and large allotments of Government, provincial and municipal issues have been secured on highly satisfactory terms.

"Your directors have thus been justified in maintaining the distribution of profits to policyholders on the very favorable scale adopted three years ago.

Death Rate Low.

"It is important to note that, despite the payment of claims arising from the war, the surplus earnings as in former years, were augmented by a very considerable profit from mortality, the actual death claims being much lower than those predicted by the mortality table.

"It is most gratifying to report that the agreement under which this company reassured the Federal Life Assurance Company of Canada in 1915 has worked out so satisfactorily that we are already enabled to raise the appointment of future profits to holders of participating policies in that company to the scale used for holders of corresponding Sun Life policies. The advantages which have accrued to Federal Life policy-holders from the reassurance of that company have thus been marked and substantial."

RAISING RATES.

Another Canadian Fraternal Organization Takes the Inevitable Step.

The Canadian Order of Oddfellows, on the advice of Abb Landis, the well-known Actuary of the Fraternals, has decided to raise its rates. This order was organized in 1879, and it has headquarters at Brantford. Its total business is about $90,000,000, having remained comparatively stationary in the past three years.

There are two options offered the members, the former being Term Insurance graded according to age and maintained at the existing assessment rates, while the second option gives the members paid-up insurance at age 70, provided they do not desire to continue to pay the life rates. Here again we have the inevitable outcome of inadequate rates, and while the officers of the society are endeavoring to make the blow seem as light as possible, the fact remains that the members have got to put up materially more money than they have done heretofore if they are to continue to enjoy the protection they formerly did.

Western Assurance Company
(Fire, Explosion, Ocean Marine and Inland Marine Insurance)
HEAD OFFICE, TORONTO, ONT.
Assets over - - - - - $ 4,000,000.00
Losses paid since organization over - - $63,000,000.00
W. R. BROCK, President. W. B. MEIKLE, Vice-President and General Manager. C. C. FOSTER, Secretary.

Chief Office for Canada, TORONTO
LONDON & LANCASHIRE FIRE INSURANCE COMPANY
ALFRED WRIGHT, MANAGER

The Test of Value Is Demand

On this test the value of The Great-West Life Policies is strikingly obvious.

For ten successive years popular opinion has given first place to the Great-West policies. For ten successive years The Great-West Life has written the largest Canadian Business of any Canadian Company.

During twenty-four successful years, there has been a steadily increasing appreciation of the low premium rates, the high profit returns and the liberal conditions that characterize the Policies of

The Great-West Life Assurance Company
Dept. "G."
Head Office - Winnipeg

British America Assurance Co.
(Fire, Hail, Ocean Marine and Inland Marine Insurance)
HEAD OFFICE - TORONTO
BOARD OF DIRECTORS: W. R. Brock, President; W. B. Meikle, Vice-President and General Manager; Robert Bickerdike, M.P.; John Aird, Alfred Cooper (London, Eng.) H. C. Cox, D. B. Hanna, John Hoskin, K.C., LL.D., Z. A. Lash, K.C., LL.D., W. B. Meikle, Geo. A. Morrow, Augustus Myers, Lt.-Col. Frederic Nicholls, Col. Sir Henry Pellatt, E. R. Wood.
Assets, Over - - - - $ 2,500,000.00
Losses Paid Since Organization Over - - $39,000,000.00

The UNION BANK OF AUSTRALIA, Ltd.
Established 1837. Incorporated 1880.
CAPITAL:—
AUTHORIZED and ISSUED £6,000,000
Paid-up Capital..£2,000,000
Reserve Fund....£1,960,000 Together £3,960,000
Reserve Liability of Proprietors........£4,000,000
Total Capital and Reserve £7,960,000
Head Office: 71, CORNHILL, LONDON, E.C.
DIRECTORS.
HENRY P. STURGIS, Esq. (Chairman).
Arthur P. Blake, Esq.
The Rt. Hon. the Earl of Chichester.
John Dennistoun, Esq.
Hugh D. Flower, Esq.
Charles A. Galton, Esq.
S. R. Livingston-Learmonth, Esq.
William R. Mewburn, Esq.
The Hon. A. R. Mills, M.P.
Robert C. Nesbitt, Esq.
Frederick G. Parbury, Esq.
Sir Westby B. Perceval, K.C.M.G.
Manager—ARTHUR C. WILLIS.
Assistant Manager—WILLIAM J. ESSAME.
The Bank has 41 Branches in VICTORIA, 39 in NEW SOUTH WALES, 19 in QUEENSLAND, 14 in SOUTH AUSTRALIA, 22 in WESTERN AUSTRALIA, 3 in TASMANIA, and 44 in NEW ZEALAND. Drafts upon these Branches are issued by the Head Office, and may be obtained from the Bank's Agents throughout the world. Commercial and Circular Travelling Credits issued — available throughout the world. Cable Transfers are also made. Bills on the Australian States and Dominion of New Zealand are purchased or sent for collection.

ROYAL BANK OF SCOTLAND
Incorporated by Royal Charter 1727.
Paid-up Capital - - £2,000,000
Rest & undivided profits £800,986
Head Office
St. Andrew Square, Edinburgh.
Cashier and Gen. Manager, Adam Tait. Secretary, A. K. Wright.
London Office, 3 Bishopsgate, E.C.
Wm. Wallace, Manager.
Glasgow Office, Exchange Square.
A. Dennistoun, Agent.
167 Branches throughout Scotland

Banking business of every description transacted. Accounts opened and agency business undertaken for Foreign and Colonial Banks and other financial establishments. Bills, Cheques and other documents collected. Drafts, Circular Notes and Letters of Credit issued—available throughout the world. Cable transfers are also made. Deposits received at interest repayable at call or at notice. Correspondence invited.

REAL ESTATE AND MORTGAGES

OUTLOOK FOR BUILDING IN CITY OF MONTREAL

One Authority Says Not Likely to be Much Activity This Year.

A DIFFERENT OPINION

Says Over 400 American Manufacturing Firms Have Been Instituting Inquiries Regarding Factory Sites.

In a forecast of the 1917 building situation in Montreal, the *Contract Record* states that there is not a great deal of work in sight. No new office buildings of any importance are expected, as Montreal has sufficient accommodation of this class to more than provide for every need. The bulk of the work is likely to be on ammunition plants or on buildings which are more or less dependent on the war; when peace comes these will be undoubtedly turned to industrial account. There is need for more houses and flats, but, owing to the high price of material, little inducement is offered for land-owners to build. It is estimated that the cost has gone up at least 30 per cent. as compared with two years ago, and it is probable that there will be only a slight reduction when war ceases. For several months after hostilities commenced builders were in a position to construct at a very low rate, but little was done, owing to the uncertainty as to the outlook. Now that prices have advanced, it is argued that the cost is too high, and that building must be postponed until conditions become normal.

Secretary Trotter, of the Builders' Exchange, on the other hand, says that to his certain knowledge over four hundred American firms have made inquiries lately with regard to the supply of building sites in Montreal suitable for the erection of factories, shops and warehouses. He refers to the speed with which buildings can be put up in Montreal.

"The efficiency of our Montreal contractors was shown in the speed with which the plant was erected in Maisonneuve for the International Fuse and Arms Company. The plans called for the erection of a one-storey brick building, 800 feet long and 252 feet wide. Anglins, Limited, started work November 9, and the plant, was in operation the end of January.

"The floors and foundation of this building were of concrete, the walls were of solid brick, and the windows were English, with wood sashes.

"Now the speed with which this building was run up not only is a great credit to the general contractors, but also to all the various building trades. It shows that we have that co-operation among the various building trades which is so necessary to develop speed in building."

LAND SALES FELL OFF.

Western Farm Lands Were Not Dealt in so Extensively.

According to the report of the North-West Land Company, sales of the company's farm lands in 1916 show a decrease as compared with the previous year, being 16,898.20 acres for $247,627.47, as compared with 29,715.79 acres for $461,494.31 in 1915. The average price obtained in 1916 was $14.65 per acre, as compared with $15 per acre in 1915. Townsite sales show an increase as compared with the preceding year. The net proceeds of sales of town lots accruing to the company for the year 1916 were $19,139.30, as against 4,347.40 for the previous year.

On the 31st December, 1916, the company's unsold lands amounted to 26,873.24 acres.

WESTERN PROSPERITY.

Instance of Farm That Paid Back Cost With a Single Crop.

Grand Trunk Pacific officials in Montreal are receiving reports indicative of the prosperous conditions which prevail in the great agricultural territory served by the line in Western Canada. One correspondent at Holden, Alberta, states that with good crops and high prices received for grain, the price of raw land is keeping up to about $20 an acre. This is considered cheap, however, as many farmers are regaining from the soil in a single season the whole purchase price of their land. A settler in this Holden district of Alberta bought a quarter section of raw land in 1915 for $16.50 an acre. He broke up fifty-three acres and last year sowed it to wheat, threshing $2,960 worth of grain. The price of the farm was $2,640, so that the one crop off fifty-three acres paid for the 160 acres of land and gave the farmer about three hundred dollars in addition. With such opportunities awaiting the man who is willing to work on the land, the railroad authorities believe that tens of thousands of the best type of settler can be readily attracted to Canada when conditions become normal again.

BUILDING IMPROVES.

First Two Months of the Year Show Good Increase in Toronto Permits.

Building in Toronto during the past two months has taken a very substantial jump over that carried on in January and February of 1916. During the months of January and February, 1916, the value of the permits issued was $391,397, as against $968,397 during the same period of this year, showing an increase of $577,298. The value of building done during the month of February, 1916, was $191,509, as against $573,517 for last month, showing an increase of $382,008. The erection of a number of munition factories was largely responsible for the big increase. Although there were three permits issued last month, less than issued during the same month in 1916, there were 24 new erections over and above the number in February, 1917.

SARNIA.

Workingmen's Houses Are Being Erected in the South Ward.

A report from Sarnia on real estate conditions in the St. Clair River city refers to the development of the south end of the city, where numerous fine houses have recently been erected. On South Confederation street, east of Emma, Contractor Edward Corey has built five neat bungalows of the workmen's type, which have been sold at prices ranging from $1,700 to $2,000. Mr. Corey has the contract for the erection of two more houses in the spring for John Filsinger, work on which will be commenced soon. The houses just completed have living room, dining room, bedroom, kitchen and bathroom, two rooms upstairs with closets adjoining. Emma street has fine granolithic sidewalks, and it is expected that sewer connections and water service will be put down in the spring. On the east side of Emma street three lots have been sold on which workingmen's houses will be erected. The south ward will in all probability be the boom centre of Sarnia's building activity this year.

WELLAND CONGESTED.

Many More Houses Reported to be Needed in This Town.

At least 500 more houses are reported to be needed in Welland to accommodate the increasing population, due to industrial development. Real estate men, however, say there is little prospect of an early improvement in the situation. Building today will cost 25 to 30 per cent. more than it did three years ago, which makes building to-day an unprofitable investment. This is due to increases in wages to 75c an hour for bricklayers, 50c for carpenters, and 35c for laborers, an advance of $4 per thousand for brick and boost in the price of lumber.

The house shortage is said to be serious. Many small houses are accommodating two families and some more than two, while a great number are unable to get any accommodation whatever. Last week several families connected with the John Deere Plow Co. came to Welland and some of them had to go to Buffalo and St. Catharines to secure accommodation.

WESTERN FARM LANDS.

Sales Reported During February in the Macleod District.

Several sales of land were made during February in the vicinity of Macleod, Alta. The prices were considered fair, all the way from $2,000 to $4,000 per quarter. These are all wheat lands and will give a large crop to the owners in 1917.

J. P. Muldoan sold his land on the Kootenay river, the buyer taking the stock and implements. This is one of the best river bottom farms in the district.

James Connelly sold his half section just east of Macleod for a price that satisfied both buyer and seller. This is one of the subdivisions of years gone by when prices were much higher than they are to-day.

The Franklin ranch was sold during this month, with all horses and cattle, seed and feed. This constitutes one of the largest sales in this part for some time.

OUTLOOK FOR SHOES.

Big American Manufacturer Talks Higher Prices.

One of the largest shoe manufacturers in the country has written his customers along the following lines, says a Boston despatch:—

"A forecast of the future cannot be made with any degree of certainty on account of unprecedented conditions, but it is necessary to arrive at conclusions based on facts as they present themselves from day to day and to outline a business course accordingly. These conclusions must be changed as new conditions and new facts present themselves.

"For the past two months the trade has been going through a period where there has been some doubt as to the permanency of values. During this period there has been a recession from extreme high prices both in upper leather and sole leather, but not sufficient to make a fundamental difference. This recession in staple lines has probably run its course and prices will undoubtedly be maintained and possibly will go higher.

"The question has been asked as to what effect the new international complications will have on the price of leather and shoes. It will undoubtedly cut off to some extent the exporting of merchandise, and will also cut off imports. What merchandise is imported will cost a great deal more on account of the increased cost in insurance and freight rates. Fifty per cent. to 60 per cent. of the raw material used in this country is imported. If we go to war, or even make preparations, it will undoubtedly mean greater demand for material made from hides.

"The conservative policy which has been pursued during the past six weeks has had a tendency to squeeze out inflated values and undoubtedly prices asked by tanners to-day are in most instances legitimate."

By an amendment to the Saskatchewan Rural Municipality Act, all Saskatchewan citizens who have joined as volunteers or reservists the forces of His Majesty or any of the Allies of Great Britain for overseas service in the present war, shall be exempt from taxation on their land up to half a section.

MANUFACTURERS PRESS, LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 27th day of January, 1917, incorporating Eldon Moir, druggist, Donald Lorne McDonald, accountant, Oral Nathan Birchard, filing clerk, Rose Gordon, stenographer, and John Campbell, barrister-at-law, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz.— (a) To carry on the business of publishers, booksellers, stationers, printers and lithographers, and to acquire, possess and dispose of copyrights; to acquire, control, operate, manufacture, publish and dispose of newspapers, books, periodicals and magazines of every kind and description, and to carry on a general publicity and advertising business in all its branches, both as principals and agents; (b) To manufacture and deal in paper, paper materials and paper substitutes of all kinds and articles and substitutes made from any kind of paper, pulp, mixture, combination, solvent, preparation or material used in the manufacture or treatment of paper or paper substitutes; (c) To acquire, hold and dispose of shares in companies having objects similar to those of this company; (d) To pay out of the funds of the company all costs and expenses of and incidental to the incorporation and organization of the company. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Manufacturers Press, Limited," with a capital stock of one hundred and fifty thousand dollars, divided into 15,000 shares of ten dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario. Dated at the office of the Secretary of State of Canada, this 30th day of January, 1917.

THOMAS MULVEY,
Under-Secretary of State.

CANADIAN COAL PRODUCTS ENGINEERING, LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 22rd day of February, 1917, incorporating Archibald James Reid, barrister; George Norman Limpricht, draughtsman; William Bowler, Charles Edward Buckley and Oliver David Cadotte, secretaries; Frederick Charles Allen, solicitor's clerk, and Harry Reeve Burrows, clerk, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz.:—(a) To purchase, lease or otherwise acquire coal fields and coal lands, ore bearing properties, mineral lands, mining locations, mining and surface rights, timber limits, wood lands and timber lands, oil fields and privileges, natural gas, lands and properties, water lots, water powers and privileges and other rights, privileges, easements and licenses; (b) To lay out, construct, purchase, lease or otherwise acquire, maintain, operate, and manage (1) Mines of coal, lignite, iron or other minerals whatsoever, bituminous or oil shales, oil wells and wells of natural gas or any products or by-products of any of them, mining structures, plant, mills, pipe lines, buildings, testing plants, laboratories, machinery and appliances of every description; (2) Power houses, structures, plant and equipment for the development, generation, transmission or utilization of water, steam, gas, electric or other power and structures and plant for and form of heating and lighting; (3) Steamships, any vessels, piers, docks, drydocks, wharves, slips, basins and all incidental structures and appliances; (4) Bridges, roads, tramways on lands owned or controlled by the company, aerial carriers, trails and ways of every description, yards and tracks for the storage or handling of any of the company's products or for the delivery thereof to adjacent railways; and (5) Offices, stores, shops, warehouses, boarding houses, dwellings, workmen's houses, restaurants and buildings of every description; (c) To manufacture, purchase, sell and deal in any manufactures, products or by-products of any and every description, of any of the mines or minerals, coal, lignite, shales, oils or gases, above referred to, and, without restricting the generality of the foregoing, to construct, acquire, sell and deal in coal products or by-products, furnaces for the manufacture of metallurgical coke, destructive distillation plants, by-products gas and power plants, and any other form of furnace, plant or machinery, commodities, merchandise, or manufacture which may be conveniently handled in connection therewith, or are germane to any of the objects herein specified; (d) To apply for, purchase, or otherwise acquire any patents, exclusive rights, licenses, concessions, privileges, or the like, conferring any exclusive or non-exclusive or limited right to use any secret or other information as to any invention which may seem capable of being used for the purpose of the company, or the acquisition of which may seem calculated directly or indirectly to benefit the company, and to use, exercise, develop or grant licenses in respect of, or otherwise turn to account the property, rights or information so acquired; (e) To guarantee any indebtedness, whether bonded or otherwise, of any company with which the company may have business relations, which is authorized to conduct any business within or similar to any of the powers of the company; (f) To issue and allot, as fully paid-up, shares of the company hereby incorporated in payment or part payment for any property, movable or immovable, property or patent rights or interests, lease, business, franchise, undertaking, powers, privileges, license, concession, stock, bonds and debentures, or any other assets or things whatsoever which the company may lawfully acquire by virtue of the powers hereby granted, or to pay for same or any part thereof in bonds, debentures or other securities of this company, and, with the approval of the shareholders, for services rendered to the company; (g) To acquire the stock, securities or undertaking of any other company having for one of its objects the exercise of any of the powers of the company, or to transfer its undertaking or assets to, or to amalgamate with any such company; (h) To enter into partnership or into any arrangement for sharing profits or union of interests, co-operation, joint adventure, reciprocal concessions or otherwise, or to amalgamate with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which this company is authorized to engage in or carry on, and to lend money to, and act as engineers or contractors for or as employer, agent or manager of any such person or company, and to carry on the business of and to guarantee the contracts of or to otherwise assist any such person or company or any customers, and to guarantee the bonds, debentures or other securities, issued or to be issued, and either conditionally or upon any condition, of any such company, and to take, hold or otherwise acquire shares and securities of any such company, notwithstanding the provisions of section 44 of the said Act, and to sell, hold or re-issue, with or without guarantee, or otherwise deal with the same; (i) To distribute among the shareholders of the company, in kind, any property of the company whatsoever, and in particular any shares, bonds, debentures or other securities belonging to the company or which the company may have power to dispose of; (j) To acquire by purchase or otherwise, hold, sell and deal in the business, assets, good-will and securities of any other company having for one of its objects the exercise of any of the powers of the company or carrying on any business capable of being conducted so as to benefit the company, and to promote or assist in promoting any such other company or any subsidiary company, and to pay out of the funds of the company the costs and expenses of such promotion or assistance; (k) To adopt such means of making known the products of the company as may seem expedient, and in particular by making demonstrations or exhibits of the company's enterprises or any parts thereof, or advertising in the press, by circulars, by the publication of books and periodicals, and granting of awards and donations; (l) To sell, improve, manage, develop, exchange, lease, dispose of, turn to account, or otherwise deal with all or any part of the property, rights and interests of the company; (m) To do all or any of the above things as principals, agents, contractors, engineers or otherwise, and either alone or in conjunction with others to do all such other things as are incidental or conducive to the attainment of the above objects. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Canadian Coal Products Engineering, Limited," with a capital stock of one million two hundred and fifty thousand dollars, divided into 12,500 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario. Dated at the office of the Secretary of State of Canada, this 28th day of February, 1917.

THOMAS MULVEY,
Under-Secretary of State.

FORD TRACTOR COMPANY OF CANADA, LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 13th day of February, 1917, incorporating Elizabeth Knox, Emma Pearl King, Mary Elizabeth Cherrier, Eva Leavitt, and Kate Campbell, stenographers, Harry Gordon Keen, student-at-law, and John Francis Boland, barrister-at-law, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz.:—(a) To build, construct, operate, to prepare for market and market motor tractors, engines, machinery and equipment in connection with the manufacture or operations of tractors, including all apparatus, machinery, tools or property useful in connection therwith; to manufacture, buy, sell, exchange, alter or improve and deal in tractors of any kind so constructed as to progress by automatic power, whether by means of electricity, steam, gas, oil or otherwise; (b) To acquire and take over the business within the Dominion of Canada of Ford Tractor Company, Inc., including the patent rights within the Dominion of Canada for the Ford Tractor; (c) To manufacture, buy, sell, exchange, alter or improve, manipulate, prepare for market and otherwise deal in all kinds of plant, machinery, apparatus, tools, utensils, substances, materials and things necessary or convenient for carrying on any of the above specific businesses or proceedings or usually dealt in by persons engaged in the like; (d) To manufacture or trade in property and goods of all kinds; (e) To produce and accumulate steam and electricity or other agencies similar or otherwise, and to use and supply the same for power, light and heating purposes in connection with the business of the company, and to sell and dispose of any surplus steam or electricity for power, lighting and heating purposes, subject to the provincial and municipal laws and regulations; (f) To acquire and take over as going concerns or otherwise the undertakings, assets and liabilities of any person or company carrying on any business in whole or in part similar to that which the company is authorized to carry on or possessed of property suitable for the purposes of this company, and with a view thereto to acquire all or any of the shares or liabilities of such companies; (g) To sell, lease or otherwise dispose of the property or undertaking of the company or any part therof, for such consideration as the company may think fit, and in particular and notwithstanding the provisions of section 44 of The Company Act for shares, debentures or securities of any other partnership, association or company; (h) Notwithstanding the provisions of Section 44 of the Companies Act, to subscribe for, purchase, assume, liability under, acquire, hold, sell, exchange, dispose of or otherwise deal in or contract with reference to bonds, debentures, stocks or other securities or obligations or any estate or interest therein; and to apply or to accept in whole or in part as consideration or satisfaction or security for any contract, indebtedness or obligation to or of the company, property obligations, shares and securities of any kind at such valuation and upon such terms as may be agreed upon; and to apply or to accept as security for any indebtedness to the company, mortgages of land or chattels upon such terms as may be agreed upon; (i) To invest and deal with the moneys of the company not immediately required, and in such manner as from time to time may be determined; (j) To procure the company to be registered, licensed or otherwise recognized in foreign countries and to designate and appoint persons therein as attorneys or representatives of the company, with full power to represent the company in all matters according to the law of such foreign countries, and to accept service for and on behalf of the company of any process or suit; (k) To carry on any other business (whether manufacturing or otherwise) which may seem to the company capable of being conveniently carried on in connection with its business or calculated directly or indirectly to enhance the value or render profitable any of the company's prop- otherwise acquire, any patents, brevets d'in- erty or rights; (l) To apply for, purchase or vention, licenses, concessions and the like, conferring any exclusive or nonexclusive, or limited right to use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the company, or the acquisition of which may seem calculated directly or indirectly to benefit the company, and to use, exercise, develop or grant licenses in respect of, or otherwise turn to account the property, rights or information so acquired; (m) To enter into partnership or into any arrangement for sharing of profits, union of interests, co-operation, joint adventure, reciprocal concession or otherwise, with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which the company is authorized to carry on or engage in or, or any business or transaction capable of being conducted so as directly or indirectly to benefit the company; and to lend money to, guarantee the contracts of, or otherwise assist any such person or company, and to take or otherwise acquire shares and securities of any such company, and to sell, hold, re-issue, with or without guarantee, or otherwise deal with the same; (n) To enter into any arangements with any government or authorities, municipal, local or otherwise, that may seem conducive to the company's objects, or any of them, and to obtain from any such government or authority any rights, privileges and concessions which the company may think it desirable to obtain, and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions; (o) To establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the company, (or its predecessors in business) or the dependents or connections, of such persons, and to grant pensions and allowances, and to make payments towards insurance, and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful object; (p) To promote any company or companies for the purpose of acquiring all or any of the property rights and liabilities of the company, or for any other purpose which may seem directly or indirectly calculated to benefit the company; (q) To purchase, take on lease or in exchange, hire or otherwise acquire, any personal property and any rights or privileges which the company may think necessary or convenient for the purpose of its business and in particular any machinery, plant, stock-in-trade; (r) To construct, improve, maintain, work, manage, carry out or control any roads, ways, branches or sidings, bridges, reservoirs, watercourses, wharves, manufactories, warehouses, electric works, shops, stores and other works and conveniences which may seem calculated directly or indirectly to advance the company's interests, and to contribute to, subsidize or otherwise assist or take part in the construction, improvement, maintenance, working management, carrying out or control thereof; (s) To lend money to customers and others having dealings with the company and to guarantee the performance of contracts by any such persons; (t) To draw, make, accept, endorse, execute and issue promissory notes, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments; (u) To adopt such means of making known the products of the company as may seem expedient, and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations; (v) For itself, its agents or others to acquire by purchase, lease or otherwise, and hold, use and improve, manage, lease, sell, exchange, dispose of or otherwise deal with lands, tenements and hereditaments and immovables and interests therein and to erect, alter, repair and maintain buildings upon any lands in which the company may have any interests, either as principal or agent, or upon any other lands, and to deal in building materials of all kinds; (w) To issue the stock, bonds, debentures or other securities of the company in payment in whole or in part of any of the foregoing; (x) To do any and all things set forth as its objects as principal, agent, contractor or otherwise, and to carry out any or all of the foregoing objects as principals, agents, sub-contractors or otherwise, and by and through trustees, agents, sub-contractors or otherwise, and alone or jointly with any other corporation, association, firm or person, and to do all and everything necessary or incidental for the accomplishment of any of the purposes or the attainment of any one or more of the objects herein enumerated or incidental to the powers herein named, or which shall at any time be necessary or incidental for the protection or benefit of the corporation; (y) The objects specified in each paragraph hereof shall except where otherwise expressed in such paragraph be in no wise limited or restricted by reference to or inference from the terms of any other paragraph or the name of the company; (z) And to do all such other things as are incidental or conducive to the attainment of the above objects or any of them. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Ford Tractor Company of Canada, Limited," with a capital stock of ten million dollars, divided into 100,000 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario.

Dated at the office of the Secretary of State of Canada, this 14th day of February, 1917.

THOMAS MULVEY,
Under-Secretary of State.

Macdonell & Boland, 2 Toronto St., Toronto, Solicitors for Applicants.

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DEPARTMENT OF FINANCE, OTTAWA
OCTOBER 7th, 1916.

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14 KING STREET WEST
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BRITISH VIEW OF THE STEEL POST-WAR TRADE

Optimistic Forecast by Special Investigator at Sheffield.

DEPRESSION NOT FEARED

Increasing World Demand Referred to and Also England's Very Favorable Position to Capture Export Trade.

Next to agriculture, the steel group of trades, including general metals and engineering, constitutes the most important branch of productive industry. In steel, therefore, probably to a greater extent than any other line of activity may we look for indications of what post-war developments will be. Britain, United States and Germany are the three dominant factors in the situation from the standpoint of production. Each will undoubtedly be able to supply her own market, and it remains for a test of industrial and economic efficiency to decide which can most successfully produce and supply the needs of other nations. Also it remains to be seen whether it is possible to successfully organize to alter the channels of trade by tariff arrangements. Probably even more important to Britain than to Germany and the United States is it that she should play a large part in supplying the world's needs for steel. This is because of the fact that she is a comparatively small producer of agricultural products. Therefore, having, as the result of her large population, to import foodstuffs and other agricultural products, she must pay for these with manufactured goods. Steel, then, being the most important of the productive industries and to a certain extent the world's economic barometer, is receiving a great deal of attention from the standpoint of future possibilities.

Under these circumstances it may be of interest to Canadian readers to consider the British viewpoint at this time. In this connection the New York Journal of Commerce presents a study of the situation by a special correspondent writing from Sheffield. He points out in the first place that, from a broad general view, we find that the world's demand for iron, steel and engineering products, has been increasing more rapidly than has the demand for any other important class of commodity. Statistics have shown that this demand increased anything from 50 to 100 per cent. in ten years. There is as yet no shadow of a sign of any diminution in the rate of increase. It is evident that this writer, whose views were expressed from Sheffield and, therefore, at the very heart of the steel industry, does not hold the attitude that has been noted on this side of the Atlantic; that is, that with the end of the war there would be a big decrease in steel consumption and, therefore, depression in the industry. He says that it seems more than probable that the volume of trade to be shared among the leading steel countries will be enormous, and he sees no likelihood of any slump, but a well sustained growth in steel and engineering after the war. He refers to the temporary dislocation with the declaration of peace and the stoppage of abnormal munitions production, but expresses assurance that there will be work for every furnace and man in the industry; delayed orders will have to be placed, depleted stocks will have to be replenished, arrears of construction repair works and renewals will have to be caught up and the damages and wastages of the biggest war in history will have to be made good. All this is mentioned in addition to the world's normal demand which as explained is so rapidly expanding.

Enlarging upon this scheme, the present prosperity in the agricultural industry is regarded as an important factor in sustaining the steel demand. High prices for foodstuffs is bringing increasing prosperity to the farming classes and farmers should be good customers for years after the war. It is expected that tools, instruments, machines, wagons, cars and utensils of all kinds will be in strong request. With the activity of Britain and Germany on war orders and the United States busy on munitions, and Belgium and France practically out of the market as producers, there is a shortage of goods which should be followed by a veritable avalanche of orders as soon as the war is finished. Again, much needed railroad extensions and renewals were in many countries considerably below economic requirements before the war broke out. British India needed 75,000 miles of new system, and Russia's requirements were estimated at 40,000 miles. In both North and South America, parts of Africa, and in China and Japan, the need for extension is being felt. These extensions will be even more required in view of the agricultural developments and the need for opening up new areas of land. Then there will be the shipbuilding industry, which will be under pressure for years in making good the war losses and the arrears of repairs and ordinary shipbuilding orders that are accumulating while builders are busy with abnormal navy work.

Britain's Efficiency.

After the war Britain should be able to produce and ship more efficiently than the United States, and probably more so than Germany, particularly if artificial methods are adopted to control trade. However, the British opinion is that there will probably be demands for all the productive facilities. Britain evidently does not fear American competition very seriously. In the future she must face high taxes and costly labor but production should still be cheaper than in America. Many economies have been effected since the outbreak of the war, with much unskilled labor turned into skilled labor and hundreds of thousands of women employed with marked efficiency. This is evident from the fact that production to-day is 3,000,000 tons a year more than before the war, despite the large number of men taken for military purposes. Then there is the advantage over America, owing to the fact that on this continent coal and iron deposits are about a thousand miles apart, while the works are mostly between 400 and 500 miles from the seaboard. Further, there would be the additional handicap of extravagant wages and salaries, and high costs generally. England has raw materials, works, and shipping ports all practically adjoining.

MUCH HIGHER PROFIT OF CANADIAN SALT

Company's Plants Being Extended to Take Care of Much Enlarged Demand.

From the annual report of the Canadian Salt Company it is evident that business of this concern continues to develop in a very satisfactory manner. However, the report gives little information of how the improvement in profits from $162,933 to $209,232 has been effected. Since 1913 the profits have grown to the figures mentioned from $95,532. Payment of dividend, interest charges and an appropriation of $36,000 for reserve, together with $2,300 written off and war tax of $14,688, left a balance of $69,349 The total surplus now amounts to $469,740. Following are comparative figures:

	1914	1915	1916
Profits	$112,375	$162,933	$209,232
Dividends	54,668	62,104	64,000
Interest charges	11,263	15,201	22,893
Reserved for depreciation	.....	27,000	36,000
Written off	.....	.....	2,300
War Tax	.....	.....	14,688
Balance to surpl.	46,444	58,629	69,349
Surplus	$349,264	$395,960	$469,740

There are indications in the balance sheet of the increasing operations of the company. The value of the plant has been increased by $279,974, representing additions to the chemical and salt plants at Windsor, which it is pointed out were necessitated by increased demand for the company's product. In addition to this, the president, E. G. Henderson, stated that the sum of $40,000 had been paid on account of purchase price of the plant at Sandwich, and $8,000 paid for property at Windsor, formerly held by lease. The directors expect to have the addition to the chemical plant in full running order about the 1st of April depending on delivery and erection of machinery long overdue. When completed these additions will add more than a third to the production of caustis soda and bleaching powder. The effects of financing these additions to the plant are noted in the increased charges for bond interest, from $15,201 to $22,893, and dividends at $64,000 were also larger compared with $62,104 in 1915

DIFFICULTIES IN FINANCING FOX COMPANY

Tuplin Corporation Unable to Meet its Fixed Charges.

INCOME ONLY FROM PELTS

Big Prices No Longer Paid for Animals and Killing to Secure Sufficient Skins Plays Heavily on Capital Account.

The difficulties of financing a fox company in these times, where there has been an issue of bonds on the security of the foxes, is shown in a circular which has been mailed to shareholders and bondholders of the Tuplin Silver Black Fox Corporation, whose head office is at Halifax. The annual meeting of the corporation was held on the 5th December last. After the presentation and adoption of the annual statement, a general discussion took place in respect to the future policy of the company. It was explained that a circular was sent out to the bondholders asking them not to present their October coupons, but to hold the same until April, 1917, when it was hoped that the returns from pelts, to be sold, would provide sufficient funds to pay both October and April interest.

The corporation has twenty-two old foxes, of which five can be considered as non-breeders (past the breeding stage) and fourteen of this year's pups. There is no question but that the five non-breeders referred to should be pelted this winter and replaced by five of the pups. It is impossible to state at this date just how much these five pelts will bring, but they certainly will not realize sufficient to pay our liability, including a year's bond interest. In order to carry out the programme suggested in the last circular, re bond interest, it will be necessary to kill off several of the breeders, as there is practically no market for pups at any reasonable figure.

The shareholders present at the meeting pointed out that to do this would not only reduce our next year's production, but would materially impair the assets of the company and consequently the security of the bondholders. The directors were, therefore, unanimously requested not to kill any more foxes than the five non-producers, so as to add as many as possible to the breeding stock, in order to as quickly as possible put the corporation in a position not only to pay all arrears of bond interest, but to gradually retire the outstanding bonds, and that this same policy be followed for the next year. The directors expect that by carrying out this policy, they can in the spring of 1918 pay at least one year's bond interest without impairing at all the assets or securities of the bondholders, and thereafter pay bond interest regularly in addition to providing a sum each year for the redemption of bonds. It is felt that this policy is in the best interests of the bondholders, as well as the shareholders. This, however, can only be accomplished if the bondholders will assist the directors by holding their interest coupons and not pressing their claims. We are starting this year with 12 pairs and 8 excess males which have been mated with other females on the share basis, making in all the equivalent of 16 pairs.

PEOPLES' TRUST.

Meeting of Creditors and Shareholders Has Been Called.

On Friday afternoon the 16th of March a meeting of creditors and shareholders of the defunct Peoples' Trust Company of New Westminster, is to be held for the purpose of looking into the proposed tax sale, and in what way the assets will be affected. This company was formed about 1910, and a short time before its liquidation was in the hands of F. C. Cook as managing director. This man was later sent to the penitentiary on being convicted of fraud in connection with the operation of the company. At the time the company closed its doors, several good properties were listed among the assets. The reason for the holding of the above meeting is for the purpose of asking the court for permission to dispose of some of the properties even at a sacrifice. It is said that the liquidator has not sufficient funds on hand to protect the assets.

THE ROYAL BANK OF CANADA
INCORPORATED 1869

Capital Authorized - -	$ 25,000,000
Capital Paid Up - -	12,900,000
Reserve and Undivided Profits,	14,300,000
Total Assets - - - -	270,000,000

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Authorized Capital	$ 1,000,000.00
Subscribed and Fully Paid	750,000.00
Reserve	455,000.00
Total Assets	15,250,000.00

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SPECIAL WAR LOAN SECTION

THIRD SECTION
Pages 17 to 20

THE FINANCIAL POST OF CANADA

THE CANADIAN NEWSPAPER FOR INVESTORS

VOL. XI. SINGLE COPIES, 10 CENTS. PUBLICATION OFFICE, TORONTO, MARCH 10, 1917 ANNUAL SUBSCRIPTION $3.00. No. 10

CANADA'S THIRD AND GREATEST INTERNAL LOAN CALLS FOR MIGHTY EFFORT FROM CANADIAN PEOPLE

One Hundred and Fifty Million Dollars Will be Required to Meet the Immediate Needs of the Finance Department and Further the Successful Prosecution of the Great War.

FEATURES THAT MAKE LOAN ATTRACTIVE FOR INVESTORS

Particulars As to Price Are Being Strictly Guarded and Terms Will Not Be Made Public Until Monday Morning—Experience With the First Two Loans Points to a Heavy Over-Subscription, Followed by a Substantial Appreciation in the Value of the Bonds—Comparisons and Contracts.

Ottawa.—Canada's third war loan will be issued on Monday. No official announcement has been made as to the amount and terms and none is expected until the day of the issue. The general expectation at the capital is that the loan will be for a hundred and fifty million dollars in twenty year, 5 per cent. bonds to yield around five and a half per cent. In view of the success of the first two loans, it is not thought that there will be much difficulty in securing the subscriptions. However, Sir Thomas White, Finance Minister, realizes that it is a tremendous undertaking at the present time and is leaving no stone unturned to make it a success. He has secured the cooperation of the banks, big financial institutions, bond men, brokers and financial houses.

Price Is Guarded.

The greatest care has been taken to safeguard the vital particulars of price and terms. Information on these points leaked out several days before the official announcements were published in the case of the first and second loans. This time all those firms and agencies, into whose hands the prospectuses were entrusted yesterday, have signed an undertaking not to divulge the contents until Monday morning. Arrangements were, of course, made to permit of the mailing of the documents to distant points on Friday and Saturday. It is hoped and expected that the confidence placed in the various agencies concerned will be respected.

The Outlook.

A preliminary survey of the field finds the selling forces of the bond houses keyed up to a high pitch of endeavor. Salesmen realize that the undertaking will not be as easy as last time. More will depend on the smaller investors. To interest a larger circle of these people will be a big task. However, every confidence is expressed that the outcome will be satisfactory and that, even failing the same big response from the large institutional buyers, the returns from the smaller investors will roll up a splendid total. The United States market is expected to prove an important factor. It is being keenly worked from this side the line and advices are to the effect that the interest over there is considerable. Only the publication of the terms is needed to start the business moving.

Eight Millions Already.

It is a question how large a quantity of the Dominion of Canada 5 per cent. debenture stock, which has been selling during the past few months, will be converted into the new loan, but it is expected that a very large proportion will be exchanged. One purpose of the issue was to enable institutions or individuals to participate in the Government financing between the issuing of the various loans. As the stock matures in 1919, and only carries 5 per cent. interest, it must be apparent that the bulk of it will be converted into the bonds of the third loan.

The POST'S Ottawa correspondent states that up to last Saturday, 1,297 stock certificates had been issued by the Department of Finance, for which $8,455,000 had been received. This means that at least $8,000,000 worth of the new loan has, to all intents and purposes, already been subscribed. The conversion privilege of the debenture stock differs from that of the first war loan, in that it is taken as cash in payment of allotments and in consequence forms a part of the new loan, whereas the bonds of the first loan must be offered for exchange before allotment and do not constitute a part of the new loan.

Previous Loans Sold Up.

The first Canadian war loan, issued in November, 1915, sold up as high as par within six months of its flotation. The second war loan advanced over 2 points within two months of its flotation. Remembering that both these loans were purely domestic in character and that there was no provision made for payment in New York, as will be the case with the third loan, the prospect of an early advance to a premium over the issue price by the latter loan, looks good.

The first war loan made a steady advance to par during the first six months of 1916, as is indicated by the table appended. It receded somewhat during July, August and September, when, of course, its value was largely determined by the issue price of the second war loan, but following the flotation of the latter, it again scored an advance to within a fraction of par, and held between 98 and 99 until the turn of the year, when the proximity of the third loan naturally forced it back to 97½. The bonds of the first loan, being convertible at 97.50, will always swing back to this price whenever a new loan looms in sight.

The second war loan is not convertible, hence its price will not hold in the same way as the first loan, but will be determined by the prospective yield-rate of new loans. At present it is selling at 96, which for a 15-year, 5 per cent. bond, means a yield of just under 5.40 per cent. However, since the loan was issued, it has sold well above the issue price and, if the new loan advances rapidly to a premium, the second loan will be sure to advance as well. That is to say, the more successful the third loan proves to be, the better for holders of the second loan.

The following table shows the highs and lows for the two issues since flotation:—

	1st Loan		2nd Loan	
1915	High	Low	High	Low
December	97⅝	97½	....	....
1916				
January	97⅝	97	....	....
February	98	97	....	....
March	98⅛	97⅛	....	....
April	98	97¼	....	....
May	98⅝	97⅝	....	....
June	100	98½	....	....
July	99¼	97⅝	....	....
August	98⅛	97⅝	....	....
Sept.	98	97¼	....	....
October	99⅝	97	99½	98½
November	99	98⅝	99⅝	98½
December	99	98	98⅝	98
1917				
January	98⅝	97⅝	98⅝	97⅝
February	98⅝	97	98⅝	96

WERE OVERSUBSCRIBED.

The First Two War Loans Were Considerably Oversubscribed.

In calculating possibilities of the third war loan advancing to a premium, it must not be forgotten that the first two loans were both largely oversubscribed. The first loan called for subscriptions of $50,000,000. There was actually subscribed well over $100,000,000. In fact, Sir Thomas White, in deciding to enlarge the loan to $100,000,000, had actually to pare down the subscriptions. Thus, only those subscribing for sums of $50,000 or under, were allotted their subscriptions in full. Subscribers for larger amounts, other than banks, were given an option. They could either take their subscriptions in full or withdraw or reduce them. Banks were then called on to reduce their subscriptions so that the total would not exceed the hundred millions.

The second war loan called for $100,000,000. Even omitting the banks' subscriptions of over $50,000,000, the total number of applications went well over the desired amount. The banks were eliminated, and the following allotment was made:—All subscriptions up to $25,000, in full; subscriptions between $25,000 and $100,000, got $25,000 in full and 30 per cent. of the remainder; subscriptions from $100,000 to $1,000,000, on the same basis for the first $100,000 and 40 per cent. of the remainder; subscriptions over $1,000,000, on the same basis for the first million and 26 per cent. of the remainder.

The tendency, of course, when subscriptions are cut down in this way is to leave some people short of the bonds. They immediately create a demand and the price advances. The expectation that the third war loan will be oversubscribed is another reason for believing that the price will soon appreciate in value.

NUMBER OF SUBSCRIBERS TO FIRST TWO LOANS

Interesting Statistics Showing Number of Each Denomination That Were Issued in Each Case.

There were 24,862 subscribers to the first Canadian war loan, and 34,526 to the second. The third should come close to 50,000. The Finance Department has no statistics showing how many subscribers there were of each sized bond, but it has figures showing how many of each size were issued. In the case of the first loan there were issued 131,345 bonds to the 24,862 subscribers. The difference in the figures is explained by the fact that many subscribers took, say, three one hundred dollar bonds, etc.

In the case of the second loan there were applications made for no less than 247,507 bonds. Owing to the over-subscription and the fact that the size of the loan was not increased, the allotment had to be cut down and there were issued 146,348 bonds.

An examination of the figures show that, contrary to the general impression, the thousand dollar bond, and not the cheaper one hunderd and five hundred dollar bonds, was the most popular. In both loans half the total number of bonds issued were for the thousand dollar variety. In the case of the first loan there was issued 63,413 thousand dollar bonds out of 131,345. In the second loan there were applications for 129,108 thousand dollar bonds out of 247,507 applied for and there were issued 69,284 thousand dollar bonds.

The bonds issued for the 1915 loan were as follows:—

Hundred Dollar Bond	43,970
Five Hundred Dollar	20,280
Thousand Dollar	63,413
Five Thousand Dollar	3,400
Ten Thousand Dollar	265
Hundred Thousand Dollar	17

The bonds applied for for the 1916 loan, and the allotments, were as follows:—

	Bonds Applied for	Bonds Issued
Hundred Dollar	76,138	40,348
Five Hundred Dollar..	38,726	24,495
Thousand Dollar	129,108	69,284
Five Thousand	2,138	1,506
Ten Thousand	1,167	591
Hundred Thousand ..	64	230

The Standard Reliance Corporation has issued a handsome booklet pointing out the advantages of mortgage corporation debentures as an investment for doctors and other professional men who require a safe proposition and usually have not the time to give a great deal of attention to the investment market.

CANADIANS ARE URGED TO KEEP MONEY AT HOME

Sir Thomas White Made Plain Statement on This Point.

TAXATION IS THREATENED

Exceedingly Desireable That the Canadian People Should Conserve Their Resources for National Needs.

"I have no hesitation in saying that the Canadian investing public should reserve their funds for Dominion loans. . . . If a situation arose in which the people of Canada were buying securities so extensively in the United States as to seriously affect the exchanges or seriously affect our prospects of floating loans in Canada, I should have no hesitation in saying that the Dominion Government should put a tax upon any securities so purchased."—Sir Thomas White in the House of Commons, Feb. 1, 1917.

Elaborating on the foregoing, Sir Thomas White made these observations:—"If the Canadian public buys British securities issued in New York, Canadian money is being used for the purpose of making purchases in the United States. That in itself would not be objectionable if it were not for its possible effect upon our exchanges. International balances, as my hon. friend knows, are settled in gold and if the Canadian public invested largely in British or French loans made in New York for the purpose of buying goods in the United States, exchange would soon become unfavorable to Canada. Apart from that, when the Dominion Government would make its next war loan in Canada the money which would otherwise have been available to take up those issues would have been spent in the United States.

"What I have said is subject to this qualification: A considerable portion of the loans which we float in Canada find their way to the United States. If we put out a loan of $100,000,000 in Canada, $15,000,000, $20,000,000, or $25,000,000 of it may be sold in the United States by those who took it. That, of course, would be a set-off against $15,000,000, $20,000,000, or $25,000,000 that might be expended by Canadian people in purchasing securities in New York. As long as exchange is not seriously affected and as long as the loan fund in Canada is not depleted so that our loans are unlikely to be subscribed, no harm will be done. But on account of the large sums that we require for our own war expenditures and to finance Great Britain in her purchase of munitions in Canada, it is exceedingly desirable that the Canadian people should conserve their resources for the purpose of buying our war loans.

"That is not discriminating against Great Britain. The authorities in Great Britain would be the first to suggest that the Canadian people should not purchase those loans in the United States, because there is abundance of money there to take up those loans, and Great Britain is not in any way disadvantaged. I do not hesitate to say that I view those purchases as inadvisable."

SECURITY BACK OF THE LOAN IS UNQUESTIONED

A Mortgage on One of the Richest Countries in the World.

A PHENOMENAL GROWTH

Progress of the Country Since Confederation Reflected in Many Remarkable Figures.

There are three things which the careful investor always takes into account in buying bonds—security, marketability and remuneration. In the case of Canadian Government loans, all three features are conspicuously present. The security is excellent; marketability is assured, and remuneration is high.

Security may be illustrated in many ways, but it is perhaps best shown by a consideration of the growth and resources of the Dominion:

	1867.	1916.
Population	3,371,594	8,000,000
Post Offices	3,638	12,348
Railway Mileage ...	2,278	35,582
Telephones	None	533,000
Water Power Devel.	None	1,715,000h.p.
Elec. R.R. Mileage.	None	2,102
Total Trade	131,027,532	1,447,378,298
Imports	73,459,644	564,505,796
Exports	57,567,888	882,872,502
Value of Products..	221,617,773	1,165,975,639
Wheat Export. (bus)	2,294,708	157,745,480
Mineral Production	10,000,000	138,513,750
Mfg. Capital	77,964,020	2,000,000,000

The New Canadian Loan

Free of any expense to you—

—We shall make delivery and accept payment at any point in Canada or the United States.

—We shall hold in safe keeping, if you desire, the Government Interim Certificates pending delivery of Definitive Bonds.

—We shall attend to all details in exchanging Interim for Final Securities, and placing the latter in your possession.

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CANADA ONCE BORROWED AT LESS THAN 3%

Made Loan in Great Britain in 1897 on 2.82% Basis.

AVERAGE RATE OF 3 1-2 P.C.

Fact That Rate Is Now Over 5 Per Cent. an Indication That Present Issues Will Go to Premium.

That Canada, in 1897, or just twenty years ago, was able to borrow $10,000,000 in the British money market at a price well under the 3 per cent. level, is a fact that should have some bearing on the buying of the new war loan. If this was possible twenty years ago, what may not be possible within the next twenty years? While no one is probably sanguine enough to belive that rates will drop again to as low a level, in view of the tremendous debts being incurred by governments all over the world, yet a considerable appreciation in the value of government stocks and bonds is certain to occur.

The average rate at which the Dominion borrowed money in London from 1884 to 1909, was under 3½ per cent.—the highest rate in that period being 3.9 per cent., and the lowest 2.82 per cent. That is to say, in a period of 25 years there was an extreme variation of over 1 per cent. The times were, as compared with the present days of turmoil, almost uniformly normal. Yet there was this variation in values. The inference is that there should ensue in the next twenty years, or during the life of the new war bonds, a change as great, if not greater, in money rates.

In the table below there stand exhibited the various issues, still outstanding, which have been made by Canada in London, with the average approximate price of issue and the yield basis at this price, together with the last quotation for 1915-1916 and the price, according to the latest mail advices. The fluctuation in these prices during the past five years is interesting. It will be noted that there has been a steady decline, except that in the case of the 3½ per cent. loan of 1884, the 3 per cent. loan of 1888, the 2½ per cent. loan of 1897, and the 3¾ per cent. loan of 1909, a slight advance occurred between 1913 and 1914.

A RECIPROCAL ARRANGEMENT.

How Canada and Great Britain Finance Each Other's Requirements.

Canada has been able, out of her own revenue to help Great Britain in making her purchases in Canada. Canada borrows from Great Britain for her expenditures in Great Britain and on the continent, and Great Britain borrows from Canada the amount required to pay for munitions made in Canada, running to about $25,000,000 a month at present. One way of dealing with these accounts would be to balance one against the other, but Great Britain has to borrow heavily in New York and she has to lodge collateral against her loans. Canada accordingly has been funding her debt to Great Britain and depositing it in New York as part of the collateral for the British loans in that market. The amount so issued is now $122,000,000, while there is still owing to the Imperial Government $97,000,000.

On the other hand in order to assist Great Britain to liquidate her debt in Canada, advances have been made to the Imperial Munitions Board and these now amount to $150,000,000. Of this, $100,000,000 was loaned by the bank direct against the security of British Treasury bills, while the remaining $50,000,000 was borrowed by the Dominion Government from the banks and advanced to the Imperial Government.

NEW BANK SERVICE.

National City of New York to Have Industrial Department.

The National City Bank, of New York, announces its decision to establish a department of industrial service as its contribution to the industrial preparation of the country. This department will deal with the practical everyday problems of the factory, store and office, and will be a central clearing house for its customers for the latest data on industrial problems obtained from all sources. Intimate personal touch with physical and financial conditions and problems will be maintained.

Investigations by the Federal Trade Commission show that at present nine out of ten manufacturers cannot give separate costs for their products, even when these are as few as four or five articles in number. What is lacking is not a willingness to gain a better knowledge of costs, but rather some central agency for collecting and distributing the latest data on industrial problems, in ways of eliminating waste and standards for measuring costs. What is needed is a medium to safeguard industrial loans by assuring a preferred credit standing to those institutions which are operated in conformity with given standards of auditing, merchandise valuation, allowance for depreciation, fire protection and cost accounting.

THE INCREASING COST OF PROSECUTING THE WAR

Nearly Half a Million Dollars Will be Required During Coming Fiscal Year to Keep Up Canada's Army.

Canada's expenditure on account of war, according to a tabulation presented to Parliament by Sir Robert Borden has amounted to the following sums:—

1914-15	$ 60,750,476
1915-16	166,197,755
1916-17 (to Jan. 20)	216,901,822
1917-18 (estimate)	415,171,000

The following is a definite statement regarding the purposes of the expenditure for 1917-18:—

WAR ESTIMATES, 1917-18.

1. Pay of 400,000 troops		$182,500,000
2. Separation allowance to dependents		36,000,000
3. Rations and subsistence		51,000,000
4. Clothing and necessaries		48,000,000
5. Equipment and general stores, including harness and saddlery, vehicles of all kinds, tents, blankets, accoutrements and all equipment except Ross rifle, machine guns, small arm ammunition and clothing		42,261,000
6. Ammunition— Dominion and Lindsay Arsenals	$ 3,000,000	
Gun ammunition in France	11,000,000	
Small arm ammunition in France	2,750,000	
		16,750,000
7. Small arms, Machine guns, etc. — Ross rifles and bayonets (80,000)	$ 2,660,000	
Renewals of small arms and machine guns in France	5,500,000	
		8,160,000
8. Forage		2,500,000
9. Remounts		2,000,000
10. Medical services		4,000,000
11. Ocean transport		5,000,000
12. Railway transport		3,000,000
13. Engineer service, housing troops, etc.		
Canada	$ 1,000,000	
England	250,000	
France	2,750,000	
		4,000,000
14. Civil employees		2,000,000
15. Printing, stationery, telegrams, cables, etc.		3,000,000
16. Sundries—including recruiting expenses, pay of censors, custom dues, funeral expenses, fuel, etc.		5,000,000
Total estimate for 1917-18		$415,171,000

1916 LOAN IN UNITED STATES ROSE RAPIDLY

Great Appreciation in Value of Fifteen-Year Bonds.

PRICE WENT OVER PAR

Present Loan Being Payable in New York Should Rise to Premium Quickly.

The remarkable appreciation in value of last year's loan in the United States, immediately following its flotation, was one of the outstanding features of the past financial year. The loan consisted of three series of 5 per cent. gold bonds, all dated April 1, 1916, and totalling $75,000,000. Of these, $25,000,000 mature April 1, 1921; $25,000,000, April 1, 1926, and $25,000,000, April 1, 1931. The bonds were offered in March, 1916, by a syndicate headed by J. P. Morgan & Co., Guarantee Trust Co., and National City Bank, and were very considerably over-subscribed.

This was shown by the allocation. In the case of the five-year bonds, applications up to $100,000 were alloted in full; above that amount, 8 per cent. For the ten-year issue, a full allotment was allowed for subscriptions up to $25,000; above that, 90 per cent. The fifteen-year bonds were divided up considerably more. Applications for $1,000 to $2,000 were allowed in full; $3,000 to $5,000 inclusive, were cut to $2,000; $6,000 to $17,000, inclusive, were reduced to $3,000; $18,000 to $75,000, inclusive, were allotted 20 per cent., with a minimum of $4,000, and over $75,000, 15 per cent., with a minimum of $15,000.

There was an immediate jump in the price of these securities, especially the 15-year bonds, the market course of which may be shown as follows:—

		1916 Range		Feb. Range		
Bds.	Issue	High	Low	High	Low	Mar. 6
1926	97.13	101¼	97⅛	99⅞	96¼	97¼
1931	94.94	102⅝	96¾	100	97	97¾
1921	99.56	100⅝	98⅜	100	97½	97½

The fact that these three issues of 5% bonds have held pretty uniformly around par, since the date of issue, is significant, particularly in view of the fact that the bonds of the third Canadian war loan will be made payable in New York. The latter privilege is expected to increase the purchases by American investors very materially and lead to a big over-subscription of the loan. In such case, par for the bonds within a short period is not at all improbable. This circumstance is one of the most favorable features of the new flotation.

FARMERS FOR WEST.

Three Hundred Families Moving Up from United States.

Three hundred families, with 75 cars of emigrant movables, will go into Western Canada in the immediate future, in time for this year's spring agricultural activities, C. J. Broughton, who looks after this business for the Soo Line in the Central States, reports to Vice-president W. L. Martin. This covers only a small section of country that is contributary to the movement and has reference only to families, the heads of which have bought Western Canadian farms, or homesteaders with money.

Saskatchewan and Alberta are the provinces to which most of these people are going. In about 80 per cent. of instances, the westward movement has been preceded by the sale of a farm in Illinois, Indiana, Ohio, or other States, and the purchase, or taking up an option to purchase, of a Western Canadian farm.

CANADIAN ISSUES IN LONDON OUTSTANDING

				Issue	Approx.	Last Prices.						
Date	Amount	Interest	Maturity	Price	Basis	1911	1912	1913	1914	1915	1916	Last
June, 1884	$24,333,333	3½%	1909 to 1934	91	3.90%	101	97	91	93	88½	77	76
June, 1888	19,466,666	3%	1938	95	3.20%	91	90	83	87	83	68½	68
June, 1892	10,950,000	3%	1938	92	3.33%	91	90	83	87	83	68½	68
Oct., 1894	10,950,000	3%	1938	97½	3.10%	91	90	83	87	83	68½	68
Oct., 1897	9,733,333	2½%	1947	91½	2.82%	77½	76½	73	73½	70	56⅝	56⅝
Feb., 1908	38,933,333	3½%	1930 to 1950	100	3.50%	101	94	90	87	84⅜	71	69¼
July, 1909	31,633,333	3½%	1930 to 1950	98½	3.60%	101	94	90	87	84⅜	71	69¼
Jan., 1910	19,466,666	3½%	1930 to 1950	99	3.55%	101	94	90	87	84⅜	71	69¼
May, 1910	24,333,333	3½%	1930 to 1950	99½	3.53%	101	94	90	87	84⅜	71	69¼
Feb., 1912	24,333,333	3½%	1930 to 1950	98	3.60%	101	94	90	87	84⅜	71	69¼
Jan., 1909	29,199,999	3¾%	1914 to 1919	99¼	3.88%	100	99½	98	99	95¾	96½	93¾
Sept., 1913	14,599,999	4%	1940 to 1960	99	4.04%	...	..	99½	95¾	92⅛	83¼	79½
Dec., 1913	19,466,666	4%	1940 to 1960	97	4.15%	...	..	99½	95¾	92⅛	83¼	79½
March, 1914	24,333,333	4%	1940 to 1960	99	4.05%	...	..	99½	95¾	92⅛	83¼	79½
June, 1914	24,333,333	4%	1940 to 1960	98	4.10%	...	..	99½	95¾	92⅛	83¼	79½
March, 1915	24,333,333	4½%	1920 to 1925	99½	4.55%	...	..	..	..	98½	93⅞	93

New War Loan

50,000 subscribers are needed to make the Third War Loan a complete success. Will you be one of them? The British "Victory" Loan is the greatest financial achievement in history. Let us make Canada's response to the Third War Loan a record to be similarly proud of.

Serve by Lending

The Official Prospectus will be available on Monday. To insure your promptly securing a copy, telephone or telegraph us at our expense, or

Fill in this Form—Now—and Mail Immediately

Wood, Gundy & Company,
C.P.R. Building, Toronto

Please send me copy of the Official Prospectus and Application Form giving full details of the Third War Loan. I hope to subscribe for $

Name: Mr. Mrs. Miss

Address

Investors subscribing through us have the advantage of our efficient distributing organization for resale of the bonds. Your application, if entrusted to us, will receive all care, without charge, for our services.

Wood, Gundy & Co.

Canadian Pacific Railway Building
Telephone Main 7437
Montreal Toronto New York

1

PETERBOROUGH MILK PRODUCTS, LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 6th day of February, 1917, incorporating Rupert Kenneth Grimshaw, contractor, Edward John Swift, accountant, Fraklin Delos Read, bookkeeper, George Gordon Plaxton, barrister-at-law, and Lily Davis, stenographer, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz.:—(a) To manufacture, sell and otherwise deal in condensed, preserved and evaporated milk, and all other manufactured forms of milk; to produce, purchase and sell fresh milk and all the products of milk; to manufacture, purchase and sell all food products; to carry on business as dealers in and producers of dairy, farm and garden produce of all kinds, and in particular milk, cream, butter, cheese, poultry and eggs, fruit and vegetables; to carry on business as cow-keepers, farmers, millers and market gardeners, and as manufacturers of all kinds of condensed milk, jam, pickles, cider and preserved provisions of all kinds; (b) To manufacture, buy, sell, refine, prepare, grow, import, export and deal in provisions of all kinds, both wholesale and retail; (c) To manufacture, purchase or otherwise acquire, and to sell or otherwise dispose of any or all kinds of goods, wares, chattels and merchandise, and generally to deal in and deal with all species of property, either movable or immovable, capable of being owned; (d) To carry on any other business (whether manufacturing or otherwise) which may seem to the company capable of being conveniently carried on in connection with its business or calculated directly or indirectly to enhance the value of or render profitable any of the company's property or rights; (e) To acquire or undertake the whole or any part of the business, property and liabilities of any persons or company carrying on any business which the company is authorized to carry on, or possessed of property suitable for the purposes of the company; (f) To apply for, purchase or otherwise acquire, any patents, brevets d'invention, licenses, concessions and the like, conferring any exclusive or non-exclusive, or limited right to use, or any secret or other information or to any invention or process which may seem capable of being used for any of the purposes of the company, or the acquisition of which may seem calculated directly or indirectly to benefit the company, and to use, exercise, develop or grant licenses in respect of, or otherwise turn to account the property, rights or information so acquired; (g) To enter into partnership or into any arrangement for sharing of profits, union of interests, co-operation, joint adventure, reciprocal concession or otherwise, with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which the company is authorized to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit the company; and to lend money to, guarantee the contracts of, or otherwise assist any such person or company, and to take or otherwise acquire shares and securities of any such company, and to sell, hold, re-issue, with or without guarantee, or otherwise deal with the same; (h) To take, or otherwise acquire and hold shares in any other company having objects altogether or in part similar to those of the company or carrying on any business capable of being conducted so as directly or indirectly to benefit the company; (i) To sell, improve, manage, develop, exchange, lease, dispose of, turn to account or otherwise deal with, all or any part of the property and rights of the company; (j) To pay for any property, rights and things required by the company or with the approval of the shareholders, for services rendered to the company in cash, fully paid shares of the capital stock of the company or its bonds and debentures; (k) To establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the company, or its predecessors in business, or any person, partnership, association or company allied with the company in business, or subsidiary to the company, or in which the company holds shares or securities, or to benefit the dependents or connections of such persons, and to grant pensions and allowances, and to make payments towards insurance, and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful objects; (l) To amalgamate with any other company having objects similar to those of this company; (m) To invest the moneys of the company not immediately required in such securities and in such manner as may from time to time be determined; (n) To distribute or divide assets of the company in specie amongst the shareholders; (o) To sell or dispose of the undertaking of the company or any part thereof for such consideration as the company may think fit, and in particular for shares, debentures or securities of any other company having objects altogether or in part similar to those of the company; (p) To procure the company to be registered, licensed or otherwise recognized in any foreign country and to designate and appoint persons therein as attorneys or representatives of the company with full power to represent the company in all matters according to the law of such foreign country, and to accept service for and on behalf of the company of any process or suit; (q) To purchase, lease or acquire and develop water or other power and to use the same and to lease, sell or otherwise dispose of any surplus thereof; (r) To do all or any of the above things as principal, agents, contractors or otherwise, and either alone or in conjunction with others; (s) To pay out of the funds of the company all or any of the expenses of or incidental to the formation and organization thereof, and to employ, contract with and provide for the remuneration of brokers, commission agents and underwriters upon any issue of shares, bonds, debentures, debenture stock or other securities of the company. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Peterborough Milk Products, Limited," with a capital stock of two hundred and fifty thousand dollars, divided into 10,000 shares of twenty-five dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario. Dated at the office of the Secretary of State of Canada, this 14th day of February, 1917.

THOMAS MULVEY,
Under-Secretary of State.

CANADIAN REIN-DRIVE TRACTORS, LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 26th day of February, 1917, incorporating Henry Jasper Martin and Charles Evans-Lewis, barrister-at-law, Thomas Neville Poole, law clerk, Arthur Deane Parker, estate broker, and Edmund Hale Austin, broker, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz.:—(a) To buy, sell, trade and carry on the business of manufacturers of and dealers in tractors, motors, engines, carriages, machinery and agricultural implements of all kinds and of all materials, substances, appliances and things required for or incidental to the manufacture, preparation, adaptation, use or working thereof or the packing, storage or disposition thereof; (b) To purchase or otherwise acquire, hold, lease or otherwise dispose of any real or personal property, rights, or privileges which may be necessary or useful for the carrying on of the business of this company; (c) To construct, maintain and operate on the property of the company all works, tramways, telegraph and telephone lines, bridges, reservoirs, flumes, dams and any other works and conveniences which may seem directly or indirectly conducive to any of the company's objects; (d) To construct, acquire, own, manage, charter, operate, hire and lease all kinds of steam and sailing vessels, boats, tugs and barges, and other vessels, wharves, docks, elevators, warehouses, freight sheds and other buildings necessary or convenient for the purposes of this company; (e) To construct or acquire by lease, purchase or otherwise and to operate works for the production, sale and disposal of steam, electrical, pneumatic, hydraulic and other power and force and to produce, create, develop, acquire by lease or otherwise, and to control and generally deal in and use, sell, lease or otherwise dispose of such steam, electric, pneumatic, hydraulic or other power for any uses and purposes to which the same are adapted; provided, always, that the rights, privileges and powers hereby conferred upon the company in this paragraph in acquiring, using and disposing of electric, hydraulic, pneumatic or other power or force when exercised outside of the property of the company shall be subject to all the laws and regulations of the provincial and municipal authorities in that behalf; (f) To apply for and acquire on any terms, letters patent of invention, patent rights, processes, concessions, other privileges or protections of a like licenses, trade marks, copyrights, or any nature for or connected with any matter, article or subject of manufacture or convenient for the business of the company and to turn the same to account by manufacturing or working the same or granting licenses in respect thereof or otherwise; (g) To purchase or otherwise acquire or undertake all or any part of the business, property, assets or liabilities of any person, partnership or company carrying on business with objects similar in whole or in part to those of the company, or possessed of property suitable and proper for the purposes of the company; (h) To issue paid up shares, bonds or debentures for the payment either in whole or in part of any property real or personal, rights, claims, privileges, concessions or other advantages which the company may lawfully acquire, and also to issue such fully paid shares, bonds or other securities in payment, part payment or exchange for the shares, bonds, debentures or other securities of any other company doing a business similar in whole or in part or incidental to the business of the company; (i) To purchase, acquire, hold and own the capital stock, bonds or other securities of any other company, corporation or individual carrying on or engaged in any business which this company is empowered to carry on or engage in, and to acquire, hold, or otherwise dispose of such shares, bonds or other securities notwithstanding the provisions of section 44 of the Companies Act; (j) To enter into any arrangement for sharing of profits, union of interests, cooperation, joint adventure, reciprocal concession or otherwise with any person, partnership or company carrying on or engaged in or about to carry on any business or transaction which this company is authorized to engage in or carry on, or to amalgamate with any such company; (k) To raise and assist in raising money for and to aid by way of bonus, loan, promise, endorsement, guarantee of bonds, debentures or otherwise, securities, or otherwise of any other company or corporation, and to guarantee the performance of contracts by any such persons with whom the company may have business relations; (l) To invest the moneys of the company not immediately required in such manner as may from time to time be determined; (m) To distribute among the shareholders of the company in kind any property or assets of the company, and in particular any shares, debentures or securities of any other company or companies which may have purchased or taken over, either in whole or in part, the property, assets or liabilities of this company; (n) To amalgamate with any other company or companies having objects similar to those herein enumerated; (o) To sell, lease, exchange or otherwise dispose of in whole or in part the property rights or undertaking of the company for such consideration as may be agreed upon, and in particular for shares, debentures or securities of any other company having objects altogether or in part similar to those of this company; (p) To enter into any arrangement with any Governments, authorities, supreme, municipal, local or otherwise, that may seem conducive to the company's objects or any of them, and to obtain from any Government or authority, any rights, privileges or concessions which it may be desirable to obtain, and to carry out, exercise and comply with or sell and dispose of any such arrangements, rights, privileges and concessions; (q) To make donations and subscriptions to any object likely to promote the interests of the company and to create and contribute to pension and other funds and schemes for the benefit of persons employed by the company, or the wives, widows, children or dependents of any such persons, and to subscribe or guarantee money for any charitable or public object; (r) To do all such other acts and things as are incidental or conducive to the attainment of the above objects, or any of them, and to carry on any business, whether manufacturing or otherwise germane to the purposes and objects set forth and which may seem to the company capable of being conveniently carried on by the company or calculated directly or indirectly to enhance the value or render profitable any of its properties or rights. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Canadian Rein Drive Tractors, Limited," with a capital stock of one million dollars, divided into 10,000 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario. Dated at the office of the Secretary of State of Canada, this 28th day of February, 1917.

THOMAS MULVEY,
Under-Secretary of State.

For Subscriptions to the

NEW WAR LOAN

Our organization is at your disposal and we shall be glad to attend to all details.

LONDON
DETROIT
NEW YORK

Aemilius Jarvis & Co.
(Members Toronto Stock Exchange)
JARVIS BUILDING, TORONTO, ONT.

New

WAR LOAN

Dominion of Canada

Telegraph or telephone your application at our expense. Will be pleased to forward full particulars on request.

F. B. McCURDY & COMPANY
(Members of the Montreal Stock Exchange)
136 ST. JAMES STREET
Telephones: Main 7140-7141-7142

Canadian

Government

New Loan

Full particulars and subscription blanks will be furnished on application.

Write, Telegraph or Telephone at Our Expense.

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A. E. AMES & CO.
Investment Bankers Established 1889.

The Strongest Possible Argument
is furnished by the price and terms of the

NEW WAR LOAN

Except the still stronger argument it furnishes, viz., the safeguarding of our Country, our Empire and our Civilization.

We are at your service in all respects relating to the Loan. Write for particulars.

A E Ames & Co.

Union Bank Building, 53 King W.
MONTREAL TORONTO *NEW YORK*

NATIONAL DEBT DOUBLES SINCE THE WAR BEGAN

Will be Eight Hundred Millions by the End of March.

CANADA PAYING HER WAY

Income is Sufficient to Enable Her to Meet Part of Capital Cost of the War.

The growth of Canada's debt since the outbreak of the war has been enormous, as the following figures will show:—

	Net National Debt.
March 31, 1914	$335,000,000
March 31, 1915	449,000,000
March 31, 1916	615,000,000
Jan. 31, 1917	745,000,000
March 31, 1917 (approx.)	800,000,000

To the $800,000,000 at the end of the present fiscal year will be added the forthcoming loan of $150,000,000. Over and above this amount the Finance Minister will need during the coming year, from $200,000,000 to $300,000,000 for Canada's own war expenditure, and considerable sums in addition to establish credits here out of which Great Britain can pay for the munitions which she is ordering here.

Paying Our Way.

During the fiscal year 1916-17, according to the statement of Sir Thomas White in the House of Commons, Canada's revenues have been such as to enable the country to pay all its ordinary and capital expenditures and from sixty to seventy million dollars on account of the principal of war expenditure. The first year after the war there was a deficit on account of capital and ordinary account amounting to some $40,000,000 or $50,000,000, due to dislocation of business. Since then revenues have been sufficient to meet ordinary and capital expenditure and to pay a considerable amount on account of the principal of our war indebtedness.

For the first year, revenue from the business profits war tax will exceed $10,000,000. Next year the amount will be much larger, because profits for the past year have been very much greater than they were for 1915. The special tax on banks realizes about $1,000,000.

Receipts and Expenditures of Canada on Account of Consolidated Fund.

	Receipts.	Expenditure.
1867-68	$ 13,687,928	$ 13,486,092
1872-73	20,813,469	19,174,647
1877-78	22,375,011	23,503,158
1882-83	35,794,649	28,730,157
1887-88	35,908,463	36,718,494
1892-93	38,168,608	36,814,052
1897-98	40,555,238	38,832,525
1902-03	66,037,068	51,691,902
1907-08	96,054,505	76,641,451
1912-13	168,689,903	112,059,537
1913-14	163,174,394	127,384,472
1914-15	133,073,481	135,523,206
1915-16	172,147,838	130,350,726

WILL GO TO A PREMIUM.

Toronto Bond House Makes Inference from Previous Experiences.

Emphasizing the statement that "Canadian Government loans made during the last three years have been largely over-subscribed, quickly advancing to a substantial premium over the issue price," Wood, Gundy & Co. infer in their recent circular on the third Canadian war loan, that the same result will ensue in its case.

"The first domestic loan offered in November, 1915, was for an amount of $50,000,000," they write. "The amount subscribed for was $100,000,000, made up of twenty-five thousany applications. The second domestic loan offered in September, 1916, was for $100,000,000. The amount subscribed for was $200,000,000, made up of thirty-five thousand applications.

"To the third war loan there should be at least 50,000 subscriptions—the larger the response the greater the tribute to the patriotic spirit of our people and the strength of our financial position. The subscription of more than $5,000,000,000 of new money to the British "Victory" Loan is the greatest financial achievement in history. The outstanding feature was the great number of small subscriptions which helped to swell the loan to record proportions.

"Financial and other corporations are arranging to subscribe liberally to the coming war loan, but it is absolutely necessary that many thousands of subscriptions ranging from $100 to $25,000 should be received in order to make the loan a real success. This is assured if everyone invests to the full extent of his ability. Let us make this a Canadian "Victory" loan. A subscription is not a sacrifice—it is a duty which incidentally remunerates the subscriber handsomely."

Wood, Gundy & Co. state that the price of the bonds is expected to be more favorable than that of the $100,000,000, fifteen-year internal loan issued in September last to yield 5.30 per cent.

NO SPLIT COMMISSIONS.

Finance Minister Takes Action to Prevent This Abuse.

One of the serious sources of dissatisfaction in connection with the flotation of the first two war loans was the fact that the practice of splitting commissions was so generally followed by bond houses and stock exchange firms. When one did it, another in pure self-defence, had to follow suit, and the competition for business became most unfair and occasionally dishonorable. Members of the Bond Dealers' Association agreed this time to cut out this abuse but, as they formed only one section of the total number of agencies to be authorized to sell the bonds, their action would have been neutralized had they not received some backing from the Finance Minister. This backing has been forthcoming and on Tuesday, Sir Thomas White gave out the following statement:—

"My attention has been called to the fact that some brokers have, in connection with previous war loans, split their commission with their clients, or allowed them some money or other valuable consideration for placing their subscriptions through their offices. This practice is highly objectionable from the standpoint of the welfare of the brokerage business, but against the public interest as well, as it tends to create dissatisfaction and criticism among investors upon whose patriotism we must rely. We regard the matter as so important that, notwithstanding any statement which may appear in the prospectus as to commissions to brokers, no commission will be allowed to any broker who pays or promises to pay the whole or any part of his commission to the subscriber. The name of any broker offending against this rule will be removed from the list of recognized brokers."

The great advantage of this pronouncement lies in the fact that no investor need expect any rake-off. The business will be done on straightforward lines and the competition, while keen, will be fair.

INSTALMENT PRIVILEGES

Second Loan Was Paid Up More Quickly Than the First.

The first Canadian war loan was officially announced on November 22, 1915, and the subscription lists closed on November 30, thus giving a period of eight working days, from Monday of one week to the Tuesday of the second week, for gathering in subscriptions. Payments were spread over a period of six months, and the following instalment privileges were allowed:—

10 per cent. on application.
7½ per cent on January 3, 1916.
20 per cent. on February 1, 1916.
20 per cent. on March 1, 1916.
20 per cent. on April 1, 1916.
20 per cent. on May 1, 1916.

In the case of the second loan, the period for taking subscriptions was extended, while the time for paying up subscriptions was reduced. The loan was announced on Tuesday, September 12, and the books were kept open until the Saturday of the following week. Instalment privileges were allowed according to this schedule:—

10 per cent. on application.
30 per cent. on October 16, 1916.
30 per cent. on November 15, 1916.
27½ per cent. on December 15, 1916.

The third loan will be announced on Monday, March 12, and books will probably be kept open for at least a day longer than in the case of the second loan. It is anticipated that instalment somewhat similar to those granted in the case of the second loan will be allowed, so that the whole loan may be paid up before July 1.

THE FIRST LOANS.

Outstanding Facts Regarding the Loans of 1915 and 1916.

The first domestic war loan was issued in November, 1915. The original Order-in-Council was for $50,000,000, five per cent. bonds, maturing Dec. 1, 1925, to be issued at 97½. On the closing of the subscription lists on Nov. 30, the Department of Finance found that from 24,862 individual subscribers a sum aggregating $78,729,500 had been offered. This amount, taken with the amounts subscribed by the various banks, totalled over one hundred million dollars. The amount of the issue was raised to one hundred millions, the subscriptions of the banks being cut down accordingly.

The second domestic war loan was issued in September, 1916, very much on the same lines as the first war loan. It carries five per cent. interest for fifteen years, and was issued at the price of 97½. The prospectus was made public on Sept. 15, and on the closing of the subscriptions it was found that from 34,526 subscribers the department had offerings of $201,444,800. These were subsequently cut down to $100,000,000.

SMALLER SAVINGS.

Over $3,000,000 Invested to Date in War Savings Certificates.

Up to last Saturday, there were sold through the Finance Department 38,046 war savings certificates, and through the post office, 7,391 certificates, a total of 45,437. The Finance Department's sales were presumably made largely through the banks.

It is interesting to note the classification of the certificates sold:—

Denomination.	Number.	Value
$ 25	9,263	$ 199,154
50	4,387	188,641
100	31,787	2,733,682
Total		$3,121,477

The fact that four times as many $100 certificates have been sold than $25 certificates would seem to indicate that the saving is not being done so much by the man or woman with a few dollars as by people whose savings already amount to $100 or over. From now on, if the purpose of the scheme is to be achieved, there should be an increase in the number of certificates of the smallest denomination.

Fifty thousand miles of motion picture films, or enough to stretch twice around the globe at the Equator, passed through the customs houses of the United States in the calendar year 1916; 43,000 miles of this was American films, being exported, the remainder European films being imported.

YIELDS ON TWO FIRST WAR LOANS VARIED SLIGHTLY

First Loan Netted Investors Just Under Five and a Half Per Cent.

SECOND LOAN YIELDED LESS

Purchasers Obtained Less Than 5.30 Per Cent. for Their Money, But Had Longer Investment.

The third war loan is expected to net investors between 5.40 per cent. and 5.50 per cent. How does this compare with loans one and two?

The 1915 war loan, which consisted of 10-year, fives, issued at 97.50, yielded, according to careful computations made by W. L. McKinnon & Co. at the time, 5.495 per cent. This was on the basis of payment by instalments. Had the purchaser made use of the discount privilege for prepayment, the yield would have been 5.47 per cent. In brief, the yield for these 10-year bonds fell just under 5½ per cent.

In the case of the second loan, which consisted of 15-year fives, issued at 97.50, the yield as worked out by Ralph M. Bird, of Mulholland, Bird & Graham, was 5.2966 per cent., when payment was made by instalments, and 5.2883 per cent. in the case of outright payment, with cash discounts.

W. L. McKinnon & Co. worked out the problem slightly differently, showing that at $974.64, a $1,000 bond would have sold on a 5.30 per cent. basis. The actual cost of a $1,000 bond was $975, so that the yield was just under the 5.30% level. If payment had been made in advance under discount privileges, the yield would have been reduced to 5.26 per cent.

If the third loan, consisting of 20-year bonds, produces a yield of 5.40 or better, the return will be very much more favorable than the mere difference in interest rate would indicate.

U. S. GOODS IN CANADA.

Consul at Kingston Suggests Touring Exhibition Car.

Felix F. S. Johnston, U. S. Consul at Kingston, Ont., in a report issued by the Bureau of Foreign and Domestic Commerce at Washington, suggests sending throughout Canada a touring exhibition car to be effectively advertised prior to a short stay in each of the important cities. This plan is similar to that adopted a few years ago by Canadian manufacturers, which scheme, Mr. Johnston points out, was a success in every particular.

In connection with the undertaking of the Canadian manufacturers, it is explained that lists of merchants in the different towns visited were secured and invitations sent to them in advance to visit the exposition. It is suggested that the tour be made from ocean to ocean over the Canadian Pacific, returning either by the Grand Trunk or the Canadian Northern.

THE EFFECT OF WAR CONDITIONS ON TRUST CO'S.

Interesting Review by President of Mercantile Company of Hamilton

LESS PROFITS, BIGGER ASSETS

Cyrus A. Birge Says That Experience of Trust Companies is Largely the Same—No Sacrificing of Assets.

At the annual meeting of the Mercantile Trust Company, at Hamilton, at which was submitted a statement showing some increase in profits and general development of the company's business, Cyrus A. Birge, the president, made some interesting references to the affairs of this and other companies doing a similar business. Generally speaking, he said the experience of trust companies at the present seemed to be much the same, viz,: lesser profits and increased assets committed to their care. War conditions had varied materially. The first year was one of uncertainty, with gradual growth of confidence towards the close, but during the second year and since there had been marked prosperity in many branches of business, while every available resource and the combined energy of the people had worked to bring the conflict to a successful and satisfactory end.

The company's profits for the year were shown at $43,790, compared with $43,066 in the 1915 statement. Of this amount, $28,096 was taken for dividends and $3,800 deducted for premises. Following are comparative figures of the profit and loss account:

	1914.	1915.	1916.
Profits	$38,713	$43,066	$43,790
Balance forward . ..	4,461	6,727	9,103
Pre. on stock	65	165	135
Contingent fund ..	5,000	.....	.....
	$48,239	$49,958	$53,028
Distribution—			
Dividends	$27,511	$27,783	$28,096
Reserve for dep. ..	12,500	12,500	.....
Premises	1,000	.....	3,800
Furniture	436	406	.....
Reserve	65	165	135
Balance forward . .	6,727	9,104	20,997
	$48,239	$49,958	$53,028

Although no addition was made to the reserve fund, it will be noted that the surplus of profit and loss carried forward was $20,997, as compared with $9,103 brought forward from the previous statement. Thus, while the reserve still stands at $70,230, with the addition of $135 as premium on new stock, the total available in both accounts has been increased from $79,133 to $91,362. This stands in relation to the paid-up stock of $469,500.

On the average paid-up capital for the year, earnings were at the rate of 9.4 per cent., which is slightly higher than in the previous report. On the total investment earnings were 8.1 per cent., which is also a slight increase. Following are comparative figures for the past five years:

Year	Average Capital	Profits	Div.	% Cap.	Earned rate*
1912	$336,100	$40,315	6	12.6	11.3
1913	452,100	41,830	6	10.5	9.0
1914	401,000	38,172	6	8.4	7.8
1915	463,000	43,066	6	9.3	7.9
1916	468,290	43,790	6	9.4	8.1

*Percentage of the sum of average capital employed, reserve and balance at the credit of profit and loss.

Referring to the effect of the prevailing conditions upon the trust estates department, the president pointed out that the difficulties of realizing the many and varied assets which have come into the company's hands for administration and management have somewhat increased, but notwithstanding the postponement of commissions and profits to the company, the directors have constantly adhered to the policy laid down at the outbreak of the war that no sales or disposal of assets should be made involving unnecessary sacrifices by an estate. Following are comparative figures of the balance sheet:

	Capital Account	Guar. Account	Trust Account	Total
1916	$707,894	$400,820	$3,926,070	$5,034,786
1915	639,950	412,649	3,294,859	4,347,458
1914	619,550	413,136	2,700,150	3,732,846
1913	577,280	483,112	1,365,004	2,425,397
1911	412,062	263,594	839,754	1,515,410
1909	294,255	236,859	735,007	1,266,121

It is interesting to note in connection with this company that four of the directors—Major H. L. Roberts, Lieut.-Col. Merritt, Lieut.-Col. John I. McLaren and Col. S. C. Mewburn—are serving either overseas or in Canada.

TEA PRODUCTION.

All Records Were Broken in 1915-16 Period.

The world's production of tea in 1915-16 broke all records. India, Ceylon and Java produced 100,000,000 pounds more than in 1914-15; the Indian harvest alone surpassed by more than 55,500,000 pounds that of the preceding year. The quality of the harvest was not remarkable. Shipments from Java amounted to 96,000,000 pounds, an increase of 12,000,000 pounds over the shipments of 1914-15. About one-third was sent to the Netherlands, of which a part probably went to the United Kingdom. The consumption in Russia more than doubled. The shipments from China show a constant diminution. For the year ended July 31, 1916, the amount forwarded to destination from England was 3,269,886 pounds against 8,485,140 pounds during 1914-15. The world's consumption of tea has tripled in the last 30 years although the production in China has remained about stationary.

NORTH AMERICAN COAL PAID FIXED CHARGES

However, Difficulties of Operation Were Such That There Was Nothing for Dividends.

The annual meeting of the North American Collieries was held at Montreal last week, and while no details were given out as to the earnings for the past year, the FINANCIAL POST understands that the company paid its fixed charges, and had a surplus to carry forward, but nothing for dividends. The company owns very valuable properties, its plant at Kipp, Alberta, being one of the most modern and efficient in the West. It has a capacity of 900 tons a day. The labor troubles have operated greatly to the disadvantage of the company, which has also been hampered because of the transportation difficulties. The capital stock of the North American Collieries is only $1,000,000, and if conditions were more stable in the West the directors are confident that the company would earn substantial profits.

The North American Collieries was organized early in 1916 as successor to the Canadian Coal & Coke Co., which in 1910 took over the Pacific Pass Coal Fields, the Lethbridge Collieries, the Western Coal & Coke Co., and the St. Albert Collieries. The bondholders of these companies exchanged their bonds for an equal amount of new 7 per cent. cumulative participating preferred stock of the Canadian Coal & Coke Co., but when the present corporation was organized, the capital was reduced. It was confidently expected that the company would be able to earn dividends, but the conditions have been unfavorable. It is hoped that with the increasing development of the West, a bright future is yet in store for the company. The labor trouble seems to have been partially solved for the present, but the agreement is only good until April, when the whole question will have to be fought out again. The demands of the miners in the Crow's Nest Pass have made securities in the various coal mining companies somewhat uncertain, and have resulted in disappointment to the investors.

CUBAN SITUATION.

American Railroad and Sugar Interests Demand Protection.

A delegation of New York attorneys, representing railroad and sugar properties in Cuba, in which American money is invested, have gone to Washington to request armed protection for the properties which they represent. This movement is independent of the appeal made recently by 25 sugar-producing companies of the Province of Oriente, Cuba, to Dr. Orestes Ferrara, Speaker of the Cuban Chamber of Deputies, to have the leader of the Cuban rebels at Santiago rescind his order stopping the harvesting of the sugar crop. Following the receipt of this appeal, Dr. Ferrara, who is now in New York, cabled a request that sugar mills be permitted to resume their grinding.

Passengers on the Munson liner Munamar, which arrived in New York recently, say that all communications from Antilla have been cut. Telegraph and telephone communication has been destroyed and railroad bridges have been destroyed. Rebels are respecting American property.

HOWARD SMITH MILLS REPORT LARGE PROFITS

Sales Increased by $295,254.28 Over Previous Year.

EARNED 14.6 ON COMMON

Three Years' Preferred Dividends Paid and $32,850, Carried Forward—Working Position Improved.

The annual report of the Howard Smith Paper Mills, which was issued this week, covering the twelve months ended December 31st, presents a striking illustration of the prosperity enjoyed in the paper trade during the past year. The profit and loss statement shows net profits, after all deductions, including $31,507.94, for depreciation, of $109,778.

After paying the past year's dividend of 7 per cent., the balance earned on the common stock of the company was $76,528, or 14.6 per cent. The payment of the two years' deferred dividends, accounted for $66,388, and alfter allowance had been made for the Government tax of $10,950, the amount available to carry forward was $32,850. Owing to the fact that the company did not give out any figures last year, there is no opportunity to make comparisons as to profits, but the volume of sales of the company increased from $399,711.93. to $694,966.21, a balance in favor of the past year of $295,254.28.

The president explains that this large increase is made up partly on account of the abnormal prices of all material due to the war, but the production of paper increased from 4,077,348 lbs. in 1915 to 4,866,496 lbs., or 789,148 pounds.

The profits came entirely from the Beauharnois plant, and it is explained that the new capital has had no bearing on the result. The new common issue of $537,500.00 was offered first to the shareholders and has all been taken up. The proceeds of this sale are to be used to pay for the Crabtree property, and to change over the mill from manillas and print to bond papers. Plans are now being prepared with this end in view, and some of the machinery has already been ordered. The Beauharnois plant is also to be enlarged, and a new machine installed.

The output of both company's plants has been contracted for for several months in advance, and at prices that will show a very satisfactory profit.

Situation As to Raw Material

In summing up the situation the president, C. Howard Smith says: "The situation regarding raw material is still serious, and all articles entering into the manufacture of paper are at abnormally high prices. Pulp is being manufactured in Canada in increasing quantities, and by the end of the present year, relief is looked for from the great scarcity that now exists. Freight embargoes, and the tie-up of the railways are matters very detrimental to manufacturing, and the scarcity of color is a most serious problem."

At the close of the year 1916 the company enjoyed a strong financial position, as is indicated by the blaance sheet, its total current and working assets amounting to $411,940 and its total current liabilities to $140,014.64, leaving a net working balance of $271,926.

This is a big improvement over the position of the company at the close of 1915, when the total current and working liabilities of the company were $162,005.72, and the total current and working assets, $179,113.85, a surplus of only $17,106.13. The amount now standing at the credit of profit and loss is $66,510.05 the amount carried forward this year being $32,850.08.

At the annual meeting of the company held at Montreal on Monday, J. W. Pyke, was elected vice-president, to succeeed J. S. Newman, who retired on account of ill-health, the vacancy on the board being filled by the election of Harold Crabtree. With these changes the old board of directors and officers were re-elected.

TO ELIMINATE WATER.

Bill Proposed in New York to Cancel "No Par Value" Stock.

A bill that is expected to do more to upset Wall Street than any other bill introduced in the Legislature in a decade has just been offered by Edward Everett, member of the Assembly from St. Lawrence County. It would compel nearly all the million-dollar corporations that have sprung up since the beginning of the war to effect a complete reorganization of their finances.

The measure wipes out the law under which the Kennecott Copper, Cuban Cane Sugar, the Martin Arms and many war stocks launched by the Morgan and other Wall Street houses were incorporated. These corporations, estimated at more than 700, will be required, if the Everett bill becomes a law, to call in all their outstanding stock.

None of this stock has any par or nominal value. It was issued under a law enacted several years ago, through the activities of Francis Lynde Stetson, the late Edward M. Shepard and Victor M. Morowitz, a committee of the Bar Association.

DEUTSCHE BANK'S NEW CAPITAL.

Latest Addition Brings Capital and Reserves Up to Half Billion Marks.

The New York agency of the Deutsche Bank has received a wireless despatch from the central office in Berlin which confirms the amalgamation of the Schlessische Bankverein and the Norddeutsche Credit Anstalt with that institution and the increase in the capital stock of the bank by 25,000,000 marks ($5,952,381), recently reported by the Overseas News Agency.

With this latest addition the capital and reserves of the bank reach the amount of 500,000,000 marks ($119,047,619), while the deposits are increased to 3,700,000,000 marks ($880,952,381).

THE ST. DENIS FAILURE DUE TO EXTRAVAGANCE

Under the Management of Liquidators is More Than Paying Expenses.

NEW COMPANY ORGANIZED

Neither the Directors Nor the Shareholders Will Father It—Latter May Organize New Company at a Later Date.

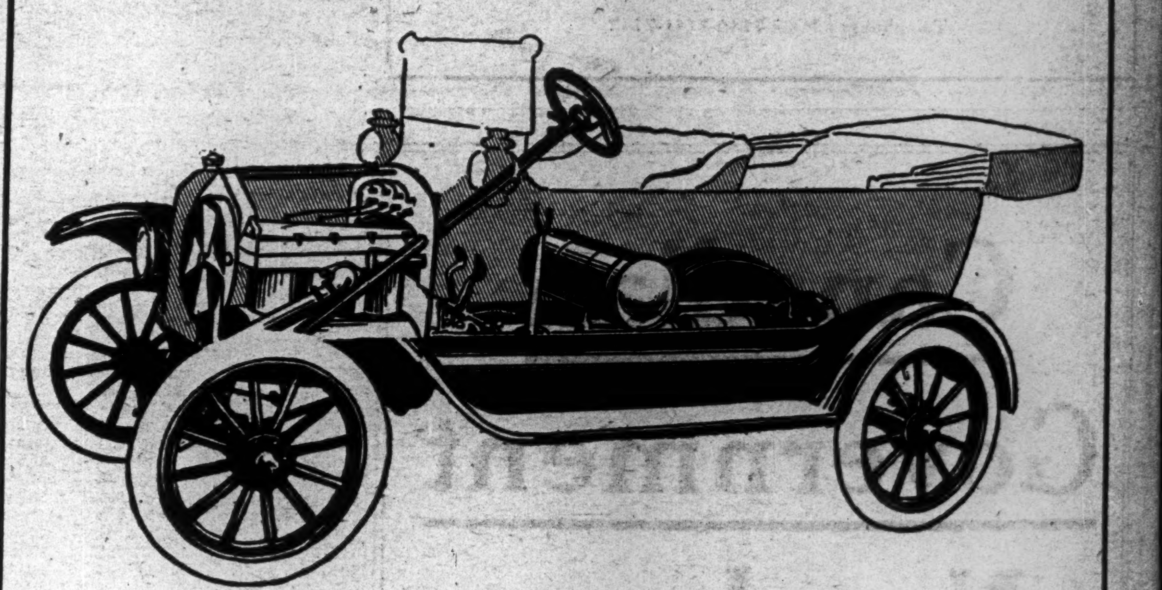
The feeling of hostility which developed between the shareholders of the ill-fated St. Denis Theatre Co. and the directors, when the company went into liquidation, has been intensified by subsequent happenings. There were several stormy meetings of the company after the crash came, and then the shareholders decided to act independently of the directors. A committee was appointed to make an investigation of the situation, and a report was made to the shareholders, in which the failure of the company was attributed to the extravagance of the former management. This committee this week sent out a letter to all the shareholders asking them not to do anything until further notice. In the meantime the liquidators are carrying on the business, and are making it more than pay expenses. The shareholders hope that some arrangement may be made with the creditors whereby the business can be continued as at present, but it is hardly expected that all will wait until they can be paid out of the earnings of the company. There is a mortgage of $133,000, which is past due, while J. A. MacKay, the promoter and president of the company, has a mortgage for $60,000 for money advanced. THE FINANCIAL POST has been informed that Mr. MacKay's advances aggregated $80,000, but only $60,000 of this amount has been secured.

The incorporation of a new company, called the St. Denis Theatre, Ltd., this week, caused considerable comment among the shareholders of the old company. The incorporation was taken out by the firm of Morin & MacKay, notaries, but at the office of J. A. MacKay & Co. it was denied that Mr. MacKay or any member of his firm was interested in the securing of the charter.

"I have nothing to do with this new company," said W. Lajeunesse, one of the largest shareholders of the old company, and one of the committee appointed to look into the affairs of the company on their behalf. "We may organize a new company, in case the assets are put up at a forced sale, but nothing definite has been decided upon. The theatre is more than breaking even just now," he said. The shareholders are inclined to be skeptical regarding the statement that the directors are not interested in the new company.

The old company apparently gave their manager, an American, who was supposed to know all about the theatrical business, carte blanche as regards expenditures. He was lavish in every department of the business, and as a result the company went behind $50,000 in eight months. A sample of the extravagance of the management is shown by the fact that on one occasion they paid $1,400 each for two films. Everything else was on a similar scale. The salaries were all too high, and there were too many people employed.

What will be the outcome is uncertain yet, but the shareholders are not going to lose their money without a fight.



Quality In The Right Place

Expensive upholstery doesn't prove that a car excels in quality. The real quality of the car is determined by its chassis—its power plant, transmission, axles, etc.

Both by laboratory tests and actual service tests, the different parts composing the Ford chassis have proven themselves superior to those used in other cars. Ford Vanadium steel has never been surpassed in quality and strength.

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